



# MUSWELLBROOK RACE CLUB STRATEGIC BUSINESS PLAN-2022.



## 2022

The Muswellbrook Race Club - delivering the Winning Experience!



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## 1. Who we are and what we do:

### Overview:

**Business name:** Muswellbrook Race Club Limited (Australian Public Company, Limited by Guarantee)

**Business structure:** Incorporated body

**ABN:** 68000559375.

**ACN:** 000559375

**Business location:** Muswellbrook, Hunter Valley, NSW, 2333.

**Date established:** 9<sup>th</sup> May 1879

**Business owner(s):** Chairperson-Vice Chairperson, Board and Members.

**Products/services:** Horse racing, Training facilities and Events management

### HISTORY

Muswellbrook Race Club (MRC) is one of the oldest continuous race clubs in NSW, established in 1879. The racecourse was established at its current location by the landowner of the time Edward 'Hunter' Bowman who owned major parcels of land in the South Muswellbrook area known as Skellatar Estate. The racecourse precinct was named Skellatar Park shortly after its establishment. The late Mr. Bowman was one of the State's best known racing identities. He was a member of the A.J.C. and served as president of the Upper Hunter Amateur Race Club, the Muswellbrook Jockey Club, and the Polo Club from the late 1920's until his sudden death in 1952.

The Skellatar racecourse was then sold to Hunter River Farms (a syndicate of investors which included several committeemen from the Upper Hunter Amateur Race Club) but continued to be used for race meetings.

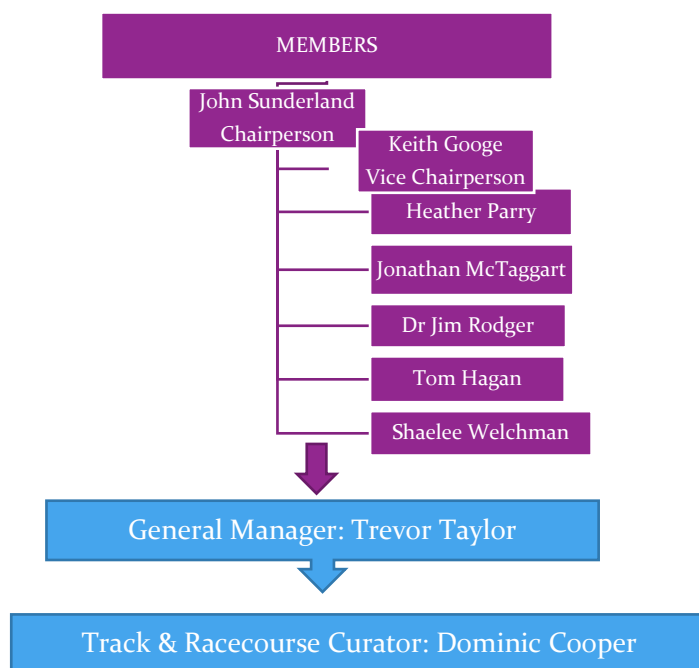
Muswellbrook Race Club is fortunate to now own the land on which the racecourse and grounds are situated after it was acquired from Hunter River Farms in the early 1960's.





## Operational and Organisational Chart

The Board:



## Place, Product & People:

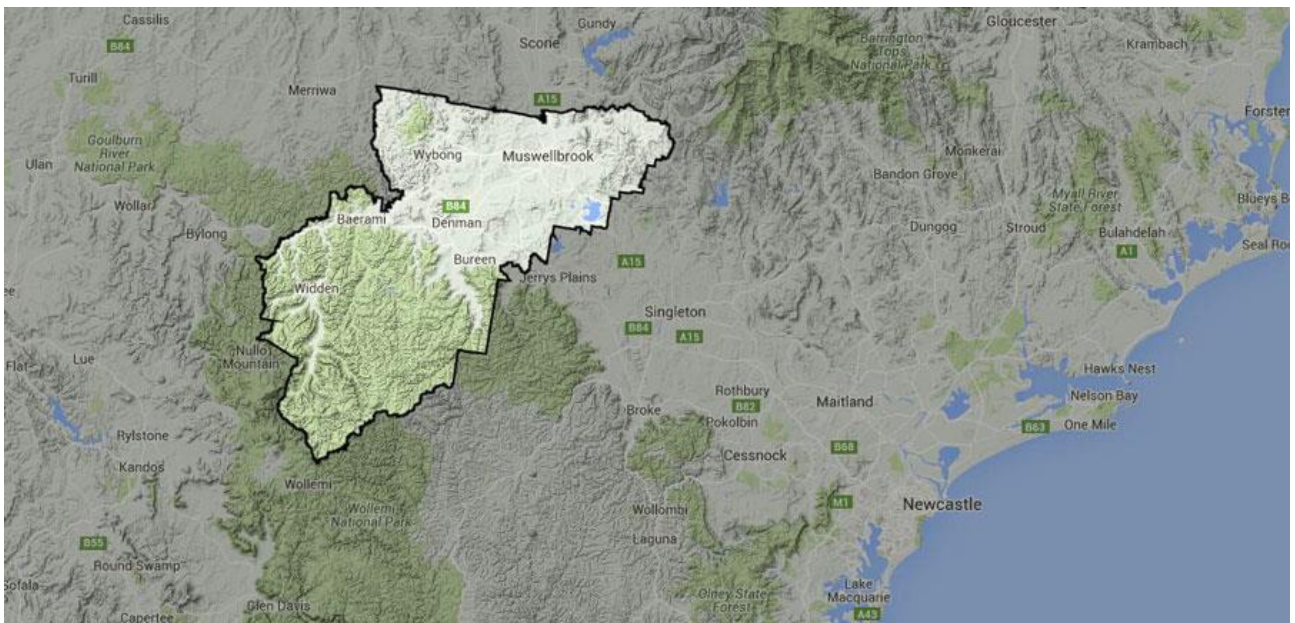
### Place

The country charm of racing at Muswellbrook has not been lost despite the relatively proximity to the cities of Newcastle and Sydney. Muswellbrook Shire is centrally located in the Upper Hunter Valley, approximately 130km north-west of Newcastle. By road, Muswellbrook is approximately three hours from Sydney, two hours from Tamworth and around 90 minutes from Newcastle. Muswellbrook Shire is located within the Gamilaraay Indigenous Nation, one of the four largest Indigenous nations in Australia.

### Product

Skellatar Park has five tracks being utilised including the course proper, B-grass, sand, cinders, and dirt. This makes Muswellbrook Race Club one of the most significant regional training centres in Country NSW. An average of 100 horses utilises the track for training purposes with 30 individual trainers listed as having Muswellbrook as their home track.

With 18 race meetings scheduled annually, Muswellbrook Race Club maintains an excellent reputation for providing a high rating country race club facility and a track that is conducive to fair and competitive racing. Beautifully manicured gardens and lovely shaded lawn areas are a feature of Muswellbrook's facilities, and we regularly receive positive feedback from racegoers.



**People:** The estimated residential population for Muswellbrook LGA in 2019 was 16,377 people (ABS). This is up from 15,793 in 2011. Council anticipates modest population growth in the short to medium term. This is largely associated with more affordable housing, a diversifying economy and expanding educational opportunities.

The average population of the Muswellbrook LGA has reflected the ebbs and flows of the mining industry. Annual population growth over the last decade, from 2006 to 2016, was 5.3% – a steady rise for a regional area. The majority of this growth has been concentrated in Muswellbrook,

which accounted for around half the growth. However, the 2016 census showed that growth overall since 2011 has only been 1.9%.

**Demographics:** Muswellbrook Shire tends to be a younger community with the median age of people being 35 years. In 2016, our population consisted of 7.7% aged 0-4 years (preschool age), compared with NSW at 6.2%; while 21.0% were aged 5-19 years (school age/dependents) compared with NSW at 18.2%. At the other end of the age spectrum, the population has 18.2% of 60 years and over; this compares to 22.1% across the state. The ratio of men to women hardly changed at all; in 2016 it was 51.3% male and 48.7% female.

## 2. SWOT Analysis

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>Valuable provenance, history and heritage – established 1879, property, people and Hunter Valley region. It is also largest stud breeding area in Australia.</li> <li>Location – strategically placed, direct highway access from Newcastle &amp; Sydney</li> <li>Sponsors – a valued group of committed Gold &amp; Corporate sponsors</li> <li>Water River Licence – secures water supply for track maintenance at low cost-massive competitive advantage</li> <li>Club Reputation – the club is highly regarded in the racing fraternity.</li> <li>Track-track surface is excellent with good Kikuyu Turf Coverage.</li> <li>Family friendly visitor experiences-with pristine gardens. Tourism Attraction.</li> <li>Good local political support.</li> <li>Good diversity and skills of board directors.</li> <li>Good Relationship with NSW Racing.</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>Ageing infrastructure.</li> <li>Entering racecourse road- neighbouring precinct in specific areas is run down.</li> <li>Shortage of skilled labour in rural regions. Shortage of hospitality staff.</li> <li>Low Membership base.</li> <li>Manual Irrigation System</li> <li>Poor Racecourse Drainage in specific areas of racecourse.</li> <li>Limited capacity of function area -150 max.</li> <li>Profitability – club doesn't always make a profit on race days – due to high operating costs.</li> <li>Utilisation of Facilities – Low. Number of event revenues streams needs to be increased</li> <li>Low number of holding stalls for horses.</li> <li>Public Profile and Awareness – there is low awareness of the facility and its features within the NSW community in general. No marketing or communication strategy at this stage to highlight external events etc.</li> <li>Low horse training numbers.</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>New \$4.2M facility can attract further wedding, corporate events- Increase revenue.</li> <li>Upgrade entry and intersection to race club. Improve main road billboard sign.</li> <li>Status as an Alternate Track to Newcastle – club can build on this status to seek greater profile &amp; more races. Attract more trainers to utilise facility.</li> <li>Improve membership benefits and drive CRM and overall membership experience-result in more members.</li> <li>Increase overall number of events, conferences, with improved brand and marketing.</li> <li>Heritage, tourism opportunities – story development tours. Weekend Race Packages.</li> <li>Customer experience development.</li> <li>Growth in brand.</li> <li>All weather track. Automated Irrigation, Equine Water Walker.</li> <li>Growing population with new houses been built. ( 5.3% in regional area)</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>External factors like Covid19 impacts on betting turnover &amp; membership experience.</li> <li>Competitors – which compete for the gaming dollar, also other racing/Pokie clubs in proximity &amp; larger conference areas in lower Hunter Valley</li> <li>Changing Weather conditions-global warming.</li> <li>Grass Diseases/Drought.</li> <li>Anti-Sentiment to Horse racing.</li> </ul>



### 3.THE FUTURE

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#### OUR VISION:

To be the leading NSW country race club by providing first class country racing experiences and events.

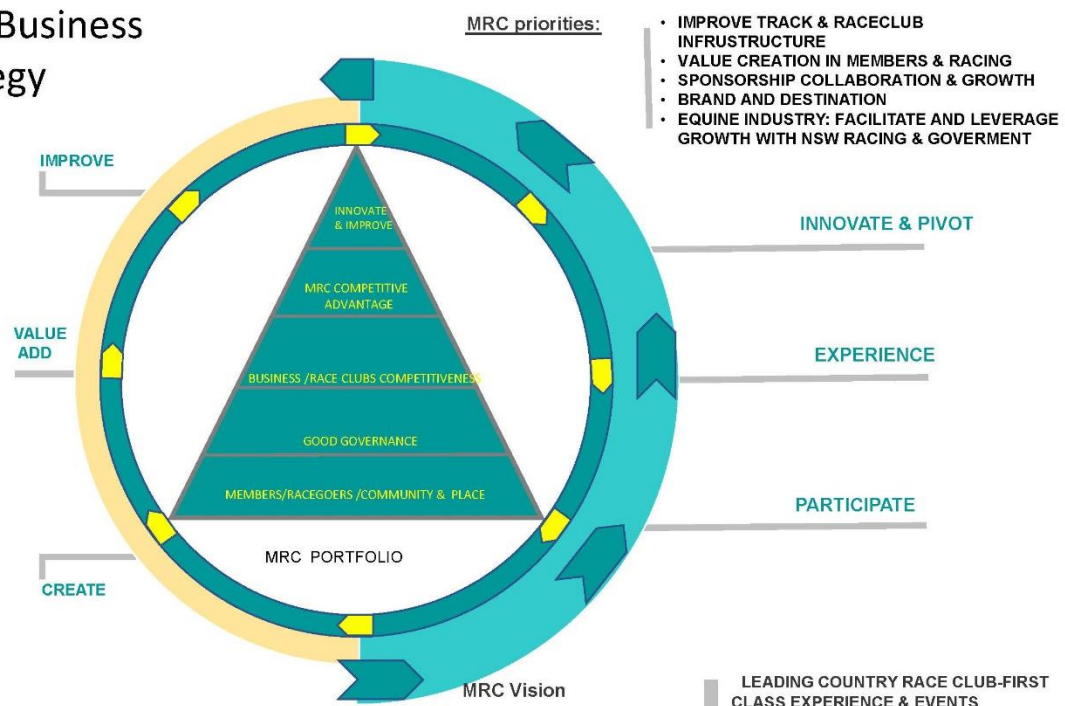
#### OUR MISSION:

Engage with racing participants, patrons, clients, and sponsors to deliver vibrant, successful, and sustainable outcomes.

#### CORE VALUES

- **Integrity:** Honesty in what we say, do and think
- **Sustainability:** Robust and sustainable systems for the future
- **Quality:** Service to all stakeholders that we are proud to stand behind
- **Community:** Active contributor to the local area with community engagement
- **Safety:** Look after each other and consistently look for safer ways to work
- **Passion:** Enthusiasm, desire, and commitment to succeed and improve
- **Inclusion:** A welcoming environment that embraces differences
- **Teamwork:** Sharing the challenges and the successes

#### MRC Business Strategy





## Key Strategic Goals –

### Goal 1: Improve Revenue with long-term membership & sponsorship sustainability

#### Key Strategies

- Increase annual membership visitation, length of stay and spend through:
  - Launch New “EQUUS” Loyalty Club with Improved valued membership benefits.
  - Expansion of existing and development of new membership products and points value on purchasing experience at MRC.
  - Increased attraction of existing and development of new visitor markets including coach tours, weddings, and corporate events
  - Build up a major CRM data base to drive marketing and visitation.
- Optimise CRM management model and maximise return on investment for our assets
- Develop and implement initiatives to increase sustainability and profitability on race days and value-added membership benefits
- Seek more members and sponsors with added benefits, like cross correlation of the membership club with specific sponsors, for example all members can redeem points for an accommodation voucher at Remington Hotel or wine at Two Rivers etc.
- Create a quarterly letter that goes out to members-improve our communication strategy.
- Develop a raceday Membership Ambassador that drives and promotes membership and sponsorship.
- Implement Kiosk promotions to improve members visitation.
- Deliver more external events to increase revenue streams.

### Goal 2: Position & Brand MRC as a premier COUNTRY Race Club destination and function facility.

#### Key strategies

- Innovate -With our new multi-purpose conference that will open soon, lets communicate and market our great facilities in beautiful garden settings with great appeal, good quality food and professional corporate function facilities
- Increase external events-drive revenue. Train staff on the importance of customer service and building relationships-build customer relations and become more personal with service.
- Develop branding and mechanisms that communicate and share the unique cultural history and heritage of the club and position our brand as a leading NSW Country Race Club.
- Enhance the visitor conference experience through improved marketing communications, through Social and Digital Media.
- Improve visitor access and capacity including increased parking and access to support increased coach tours. Activate Bus Junkets on quiet Mondays.
- Ramp up geographic marketing for weddings, birthdays, and corporate events
- Create a winning experience for racegoers with a proven trifecta – Good Food, Good Racing, Good Entertainment.

### Goal 3: Continually Research and Innovate Track, Racecourse products, and improve Infrastructure.

#### Key Strategies:

- Improve drainage and modernise the irrigation on the track with new technology.
- Replace the running rail and work closely with NSW Racing on future track improvements.
- Seek grants and financial support from NSW in upgrading infrastructure.
- Research and relook at member benefits and revenue streams for race club.
- Work Smarter with Technology -Integrate SWIFTPOS with MYOB
- Use Technology software to improve member benefits.

#### Goal 3: Strategic Goal Expenditure include:

Aim	Work undertaken	Investment
Increased capacity to attract more members with improved benefits	New cards, improve CRM and Communication.	\$5K
Increased capacity to support external functions and events (Capacity and safety. Increased number of outdoor spaces that can be used both during the day and evening for receptions, dining, live performances, and corporate events. Essential for MRC to be able to meet the expectations of visitors, function, and event attendees and accommodation guests)	Development of Multi-Purpose Conference Arena.	\$4.2M
Upgrade Track Drainage & Irrigation.	Improve drainage on the racecourse.	\$188K to \$1M
Implement consistent branding across the property	Overall Marketing Strategy, Brand Growth & SEM.	\$12,000

## 4. Marketing Goals

#### Marketing Goals:

- ❖ Increase database of contacts for digital direct marketing-newsletter.
- ❖ Membership Growth.
- ❖ Improve Digital SEO and SEM.
- ❖ Brand Strategy.
- ❖ Increase conversion rate of marketing and promotions into sales.
- ❖ Increase annual visitation of race goers & members, with events to drive visitation.
- ❖ Increase revenue and profit year on year, with more external events and a possibility of more race meeting from NSW Racing.

- ❖ Position the Brand Correctly and meet the Vision.
- ❖ Create a Marketing Strategy for Business.

## Our target customers

Product / experience	Primary target customers	Secondary target customers
Betting products	Domestic and international gamblers	Visitors or Casual Betters
Public events	Community	Tourists
Private events	Wedding Couples – market venue Special celebrations	Corporate market
Tours/Mining HR Managers	NSW and tour operators Ghan, cruise ships, Kanga Tours Garden clubs Social groups (e.g., Mining HR /Social Retirement Homes)	Education and Tour Guides Conference Associations Convention Bureau

## Key brand messaging

Key messaging will be further developed to make the most of the unique nature of MRC in marketing of the collective products and experiences.

For example:

- The leading NSW Country Racecourse with the best Experience.
- Beautiful Gardens in the famous Hunter Valley
- Access to the property is achievable for so many people (not just high end) e.g., through tours, pensioners, open days, events, and functions
- Unique nature of the country club, its history, people, and connections.
- Engagement of community, - Mines HR with posters and newsletter promoting our venue.
- Investment in the Race Club-Infrastructure.

## Our customer experience vision – who do we want to be?

As one of the top country courses we need to also deliver customer experiences that provides a superior racegoer experience. Once we upgrade our facilities, we will be offering 5-star facilities to all our stakeholders.

## What is our brand promise?

**To be the leading NSW country race club by providing first class country racing experiences and events.**

## Sales, marketing & communications initiatives

Mechanism	Key initiatives
Website	Review website SEO, SEM functionality and ease of navigation. Upgrade photos and information. Use Video footage, linking of stories via blogs, updating of annual events calendar.
Electronic direct marketing	Build and utilise database of previous visitors, stakeholders, influencers Schedule EDM messaging in line with annual events calendar, new product / experience launches etc. targeted to key markets at key times Planned blog campaigns
Social and print media	Development of articles, features, and product placement for social and print media Increase use of socials leading up to and post events
Public relations and events	Develop relationship with stakeholder organisations including NSWTC, and local Visitor Information providers via family and regular networking Maximise opportunities for promotion and visitation of key influencers to high profile events E.g. Use public events to attract media
Networking, distribution, and relationship development	Increase promotion of opportunities to Network Groups like MBG. Develop relationships with suppliers and key stakeholders to achieve sponsorship Growth. Develop and expand distribution channels for all products and experiences-grow tourism network.
Branding, collateral, and signage	Build BRAND Guidelines. Build MRC with Hunter branding – consistency of presentation in line with branding guidelines and NSW Tourism.

## 5.Capital investment

### Future capital investment

Muswellbrook Race Club have received \$4.2 Million in funding from the NSW State Govt. for their Racing and Multi-Purpose Function Centre Expansion & Improvements.

This announcement was made by Hon. Kevin Anderson MP (Minister for Better Regulation and Innovation) and is part of a \$67 Million investment in racing infrastructure to occur over the next three years across multiple race clubs in NSW.

The project includes expansion and renovating of the current jockeys change rooms, the relocation of the winning post and broadcast tower to improve safety, an expanded 1<sup>st</sup> floor function room to more than double the capacity of patrons and a new bar and bistro to replace an aged facility.

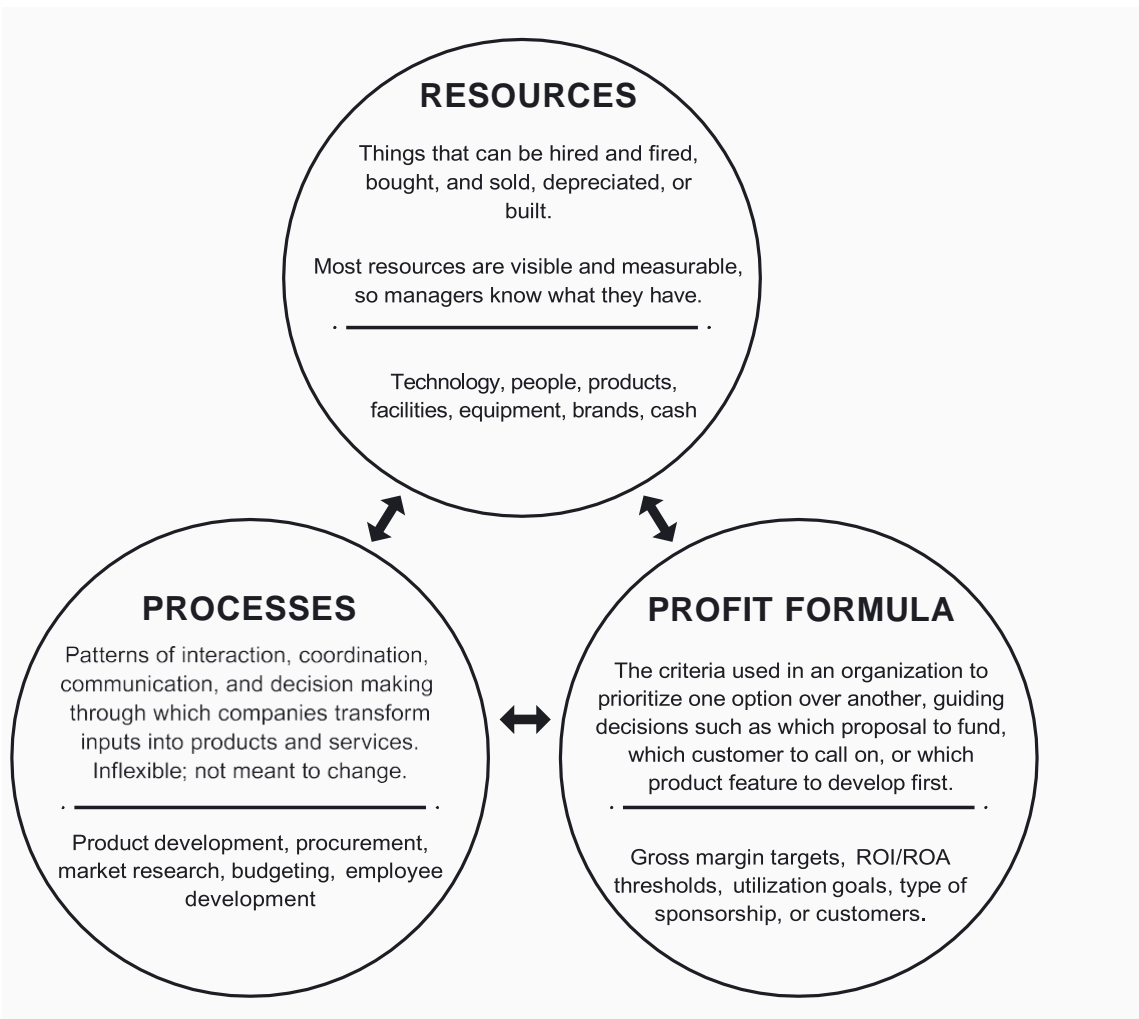


## 6 Current Operations & Formulae for Success.

### Current operations

Race meetings held each year	18
Races run per year	134
TAB turnover (NSW TAB) per year	\$20,000,000
Prizemoney paid back to participants	\$3,662,000

**Our FORMULAE for Success in Organising for Innovation is following the correct Strategy.**



Source: Harvard Business School, 2021, Disruptive Strategy: Professor Clay Christensen.

## Finance for capital investment

Financial resources to support specific projects can be covered under the Country Racecourse Development Fund managed by NSW Racing.

## 7.Strategic Alliances

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We need to build strategic alliances to which include:

- Muswellbrook Shire Council.
- Racing NSW
- Hunter Community
- Regional Development Australia NSW
- Muswellbrook Business Group

Political Alliances:

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- Member for Hunter Valley
  - Mayor

## WORKING WITH LOCAL BUSINESSES - SPONSORSHIP

MRC enjoys tremendous support from a diverse range of local businesses both large and small and the club truly is a place where the thoroughbred, wine and mining industries meet. Muswellbrook Race Club is fortunate to have several major sponsors with over 50 Gold Sponsors.

The support from local businesses is reciprocated by the club with a local buying commitment which continues to expand and evolve.

## OUR Facilities.

### Product:

Functions: Available for private and community bookings, a new function room is in the planning. The Silks Function Centre is one of the largest, and most versatile function centres in Muswellbrook. While the complex can cater for intimate groups, its costs and pricing structures are best geared toward medium-large scale events (80 – 120 as a guide).

Mid-Week Races- Retired / Elderly– Members and Racehorse owners:

The Club's Current Yearly Membership is 116 with 7 Corporate Sponsors.

### Track:

A country racing atmosphere, great gardens, comfortable facilities well respected by racing stakeholders

Mid-week race days:

This market is looking for a social outing; something to do during the day in the middle of the week. They are seeking monetary value (concession or pensioner discounts), and status (a designated members section, VIP entrance, VIP ticket information and access to other club features i.e., members drink special, meal special, early bird bookings etc.).

## 7. Risk management

Risk	Likelihood	Impact	Strategy
Fewer member numbers – revenue loss, reduced capability as age demographic is not replaced by younger group.	Likely	High	Develop and implement a marketing plan as part of the club's business plan
Fewer racegoers on race days – revenue loss and associated downstream effect on training revenue	Likely	High	Develop and implement a marketing plan as part of the club's business plan
Quarantine – infections, for example, Hendra Virus, causing closure of facilities.	Unlikely	High	Develop and enforce infection control procedures as a preventative. Develop a business continuity plan to manage operations in the event of infection/quarantine.
Bad Weather cancels race meeting	Likely	High	Investigate insurance viability. Develop a contingency plan (as part of the Business Continuity Plan)
Jockey Strike	Unlikely	High	Business Continuity Plan
Reduced betting turnover – continuation of the shift to off course betting and betting on other sports	Unlikely	Medium	Business Plan to identify ways to broaden revenue base.
Fewer numbers of horses nominating for races	Likely	Medium	Develop more marketing of race club and prize money.
Increased competition – e.g., more Hotels with POKIES/Other Race clubs with more races & trails etc. Lottery	Likely	Medium	Improve Strategies-build customer and member relations
Club profile in the NSW racing industry declines through deterioration in political or NSW relationships or horse anti-sentiment.	Likely	Medium	Improve overall stakeholder relations and branding of racing.
Damage to track surface – e.g., vandalism, maintenance failure/accident	Unlikely	High	Continually improve security and invest in machinery.

### *The Market*

#### *Market research*

An annual Survey will be done with our members to continually look at improving our benefits and membership.

## Target Market

Younger Professionals as the median age of the community in Muswellbrook is 35 years, 51.3% Male and 48.7% Female. Weekly Household Income is \$1,346. (2016, censusdata.abs.gov.au)

## 9.Improvements to Assets:

### RELOCATION OF WINNING POST

The winning post position has for a considerable period been an area of some concern to the club. The position of the winning post sits at the extreme end of the home straight and in fact sits approximately 3 metres around the finish bend.

The safety concerns for this include the fact that jockeys must quickly manoeuvre their horses around the bend immediately after running through the finish line. While there have been no recorded serious injuries noted because of this hazard, this modification is seen as a pro-active measure to significantly increase the safety of jockeys at Skellatar Park.



### Proposal

The proposal is to relocate the finish post approximately 25 metres back down the straight to give sufficient time for jockeys to ride their mounts to the line and enough room to negotiate the bend at the end of the straight.

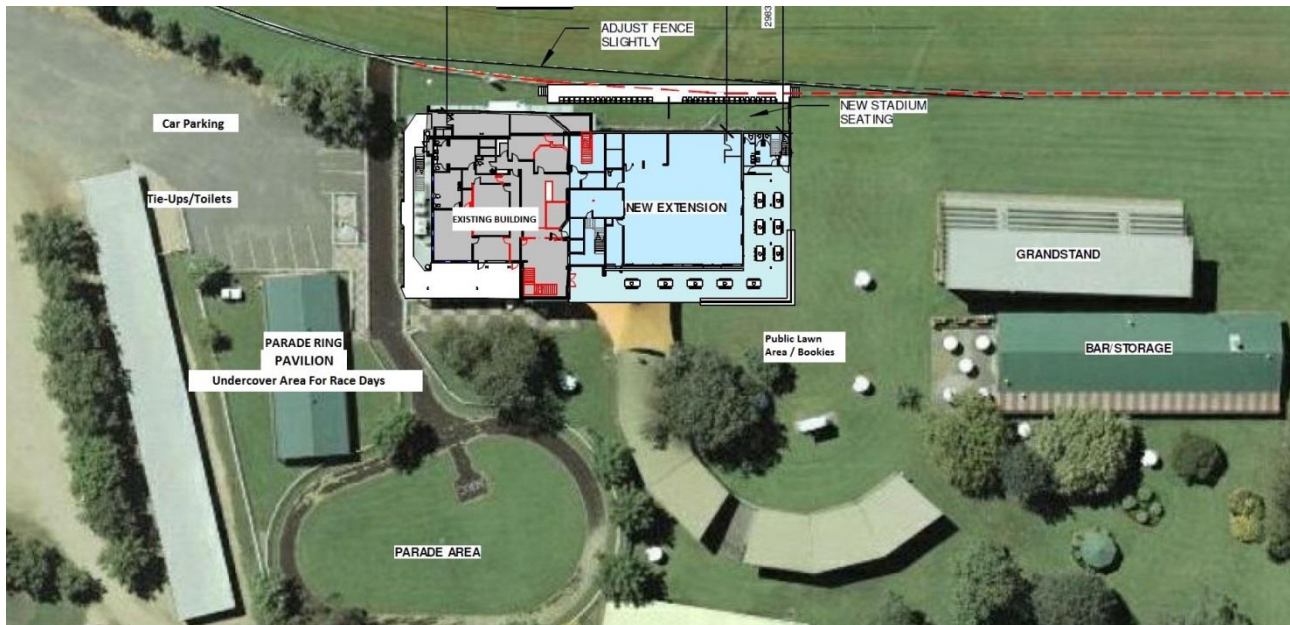
### EXPANSION AND RENOVATIONS TO 'SILKS' RACING & FUNCTION CENTRE

The expansion and renovations to the existing Racing and Function Centre is a critical element of Muswellbrook Race Club's future strategic plan. Not only will it provide much needed improvements to race day jockeys, officials and patrons but will also deliver a first class and much needed facility for the Muswellbrook community.

Key features of the 'Silks' Racing and Function Centre improvements includes:



## Site Map with Proposals – Racing & Function Centre



It is noted that on numerous occasions every year, the race club is contacted with enquires made for function spaces for more than 120 people. In these instances, the race club is unable to accommodate such requests. With improved and extended function facilities, it is reasonable to expect that non-race day trade will significantly increase and provide increased revenue streams in this area. These projects will see Muswellbrook Race Club as the premier function space provider in the Upper Hunter. Currently we are working on the amendments to the development plan of the new facility and Mostyn Copper are managing the overall project in 2022, with the board of directors. We hoping to see the progress of this facility in later 2022.

## 10. Budgets: FY22

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
	FRIDAY	SUNDAY	FRIDAY	THURSDAY	MONDAY	MONDAY	SUNDAY	TUESDAY	FRIDAY	TUESDAY	MONDAY	MONDAY	SUNDAY	FRIDAY	MONDAY	FRIDAY	SUNDAY	SUNDAY
	2/07/2021	1/08/2021	13/08/2021	2/09/2021	4/10/2021	18/10/2021	31/10/2021	2/11/2021	26/11/2021	4/01/2022	17/01/2022	7/02/2022	20/03/2022	1/04/2022	18/04/2022	29/04/2022	22/05/2022	5/06/2022
Country Scheme of Distribution	189060.00	227120.00	204080.00	193060.00	209100.00	204060.00	196120.00	203240.00	210100.00	185080.00	190080.00	184060.00	257240.00	249400.00	203100.00	218100.00	184080.00	187100.00
Racing Profit	6196.00	27563.20	20012.20	32953.20	35633.96	20089.92	36300.92	39853.96	22940.16	25120.92	30120.92	23753.96	62410.00	-6930.00	42930.92	24142.96	24173.96	19633.96

### FY22

Net oncourse Trading Profit/(Loss)	-63,962
Racing Profit (SOD etc)	486,901
Race Day Profit / Loss	422,939
Non-Raceday Trading (Net)	40,416
Annual Revenue	661,605
Annual Expenses	1,037,770
<b>ANNUAL TRADING PROFIT/LOSS</b>	<b>87,190</b>



