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An Open Letter from Chair Rod Seiling

Working Together Pays Dividends

I want to lead with a hearty recognition to tracks, horsepeople and the Ontario Racing Commission (ORC) Administration for the successful conclusion of the 2012 live race date allocation process.

In March of this year, I issued an open letter to the industry, urging all stakeholders to take advantage of an opportunity to revitalize horse racing in Ontario. A lot of hard work by many people brought us to where we find ourselves today, and it clearly demonstrates the racing community has taken this challenge quite seriously.

When – if ever – has the month of December not meant a time of hearings, where tracks and horsepeople have faced off against one another over the number of live race dates for the coming year? It has been my longstanding belief that this adversarial approach planted the seeds of mistrust and confrontation so prevalent within the industry.

When it approved the Ontario Racing Program, one of the outcomes envisioned by the ORC Board was a scenario wherein tracks and horsepeople – working within the principles of the Program and with the facilitation expertise of the ORC Administration – could agree on a live race date schedule.

Little did we realize that it would occur in Year Two of the race date allocation process under the new Program.

Tracks and horsepeople are partners in the business and sport of horse racing. It is preferable, for a whole host of reasons, for the partners to reach a common accord and not rely on the ORC to arbitrate. Perhaps, one can hope, this moment marks a maturing change in the relationship between the partners.

The Program's genesis was the obvious need to develop a clear and understandable business basis for the allocation of live race dates. Operating on a '*supply side methodology*' and '*ignoring the customer*' had long been the practice and was not working. One could assert that this supply sided approach helped to 'grease' the decline in wagering and fan support. And as a result, the subsequent racing 'product' was not perceived as worthy of the public's investment in both time and money.

A key objective of the Program is to return to a 'pre-Slots' scenario where 'the best horses raced against the best horses at the top tracks.'

I am happy to report that part of the Program is working. According to Standardbred Canada stats, wagering on Woodbine Standardbred product – which represents the vast majority of the total wagering in Ontario – is up 16 % per overnight card for 2011. At the very least, we want to see the wagering declines at other tracks reversed. Are there lessons to be learned from tracks such as Rideau Carlton or others who seem to have stabilized their business?

Let me be the first to say we still have work to do. We never expected to get it all right from the get go. It is for that reason we have established the Implementation and Monitoring (IM) Group. Their mandate is to implement and monitor the elements of the Ontario Racing Program and to ensure the Program is flexible enough to change, where the need for change is demonstrated and determined to be warranted.

The value of the IM Group is unquestionable as it has demonstrated time and time again. Their work explaining purse accounts was an excellent example. Perhaps their greatest asset and value to the industry is providing for the first time, accurate and reliable statistics outside of wagering information. Can you imagine any other major industry moving forward without such critical numbers at its fingertips?

With this information in hand, the industry can begin to analyse and assess itself in a realistic manner and with respect to what and how it can plan its future. If you have any questions or comments, I encourage you to contact members of the Group.

The first year of the Ontario Racing Program is nearing completion. I believe 2012 will be better, if for no other reason than the industry now has a clearer understanding of the Program. This is particularly true as to how an individual track can work within the Program for its benefit and that of its local horsepeople.

Looking forward, the ORC Board envisions some subtle but important changes as the Program starts to mature – for example, the need to funnel more racing opportunities for younger horses. We also need to begin to move on the accountability front as directed by our shareholder, the Government of Ontario. Of particular interest to all stakeholders, we are beginning to look at the possibility of presenting race date allocations as 'three year rolling averages.' It is my belief that this would allow all partners to better plan for their ongoing respective business needs.

In conclusion, let me say that we are very fortunate to be able to be in the horse racing business in Ontario. Therefore, let's build on the momentum achieved in this first year of the Program and make that business better.

We are seeing the results in real terms - *working together pays dividends...*

Rod Seiling
Chair