

Ontario Racing Program

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News Release

Ontario Racing Program on track to distribute over 98 % of purses in 2011

Understanding Purse underpayments: historically a part of racing

Toronto ON – As of the end of November, it is estimated 98.75% of the total provincial purse earned in 2011 will be paid out in 2011. With over \$160 million in purses projected to be paid this year, the percentage of purse underpayment incurred in 2011 compared to purses paid is about 1%.

Most significantly, Ontario horsepeople now have access to information on underpayments across the province. “We have been working very closely with the Race Secretaries and Purse Account Managers across Ontario,” said Ryan Dupuis, speaking on behalf of the Implementation and Monitoring (IM) Group. “Historically, purse account information was simply posted on a bulletin board for that racetrack and was not tracked at a provincial level. Now our efforts to improve the amount of information available to horsepeople includes forecasts”

Dupuis, who is a certified accountant and Regulatory Analyst for the Ontario Racing Commission (ORC), acknowledged that the workings of a purse account can be somewhat complicated. To promote a better understanding of purses, the IM Group released an edition of Facts ON Track earlier this month reviewing the revenue and payouts percentages.

[Facts ON Track - Understanding the Purse Account](#)

He pointed out that there is significant value to tracking purses on an ongoing, provincial basis. The estimates of the increase to the 2011 provincial purse underpayments have been monitored since the spring of this year and the numbers have fluctuated as the season progressed. “We are continually reviewing the estimates. We release the actual figures when we receive them but also rely on estimates from Purse Account Managers on the projected amounts in purse accounts at year end. For example, a number of tracks are planning end of year events which will increase the purse payouts”

Current projections put the 2011 increase to the provincial purse underpayment at approximately \$3 million, of which the majority is accounted for by Georgian and Sudbury. The actual year end numbers for each track will be released in January.

The IM Group has provided regular underpayment updates at industry meetings. A copy of the presentation to tracks and horsepeople associations last month based on 3rd Quarter results is available on the ORC website.

[Ontario Racing Program - Understanding Underpayments](#)

“Every track needs an underpayment of purse money to prepare for the upcoming season,” said Dupuis. “When the season ends, each track is building funds from simulcast wagering and slot revenue. The trick is determining what the right level should be at that time of year to ensure stable purse levels. Consistency and stability make for good decision making and encourage trainers and owners to invest.”

Raising purses is not a solution to dispersing any underpayment. “The intent of establishing daily purse levels is to create greater consistency across racetracks with similar operations and encouraging horses to be raced where they will have the greatest impact for the Ontario Racing Program,” said Dupuis.

Regardless of the final 2011 numbers, the ORC Board continues to assure the racing community that purse money will remain what it always has been – **for the benefit of horse people**. The determination of **how** any underpayment will be allocated is being undertaken through a continuing planning process that started in April involving the racing community.

The mandate of the IM Group 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.

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*The Ontario Racing Program is a direct outcome of the racing community's demand that changes were needed in Ontario horse racing: the number of race days were in drastic decline, wagering on Standardbreds was faltering at the Premier level and the future of the industry and the people who work in horse racing were at risk. This **provincial** approach to horse racing evolved from extensive collaboration and consultation with the racing community over 18 months. Considered a transition year, 2011 is the first year of the Program.*