



# Racinos in Canada: The Alberta Experience

Presentation by  
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# Presentation Outline

1. Overview of horse racing in Alberta and Horse Racing Alberta
2. The Racino in Context
3. Challenges
4. The Future

# Horse Racing In Alberta

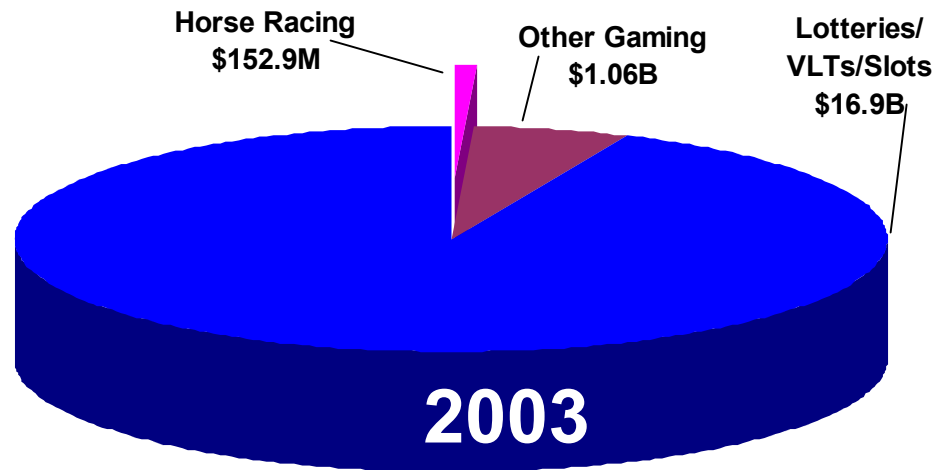
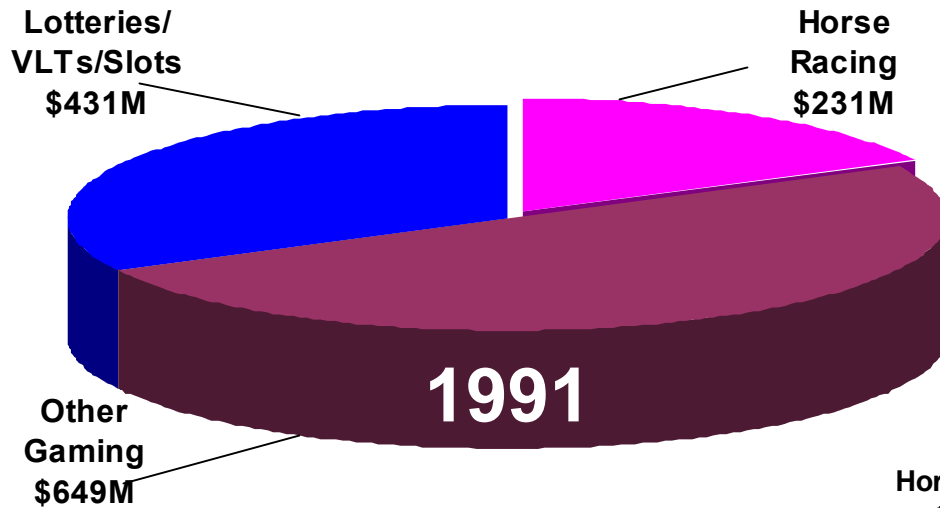
- Alberta – 3.3 million people
- Two major cities: Calgary; Edmonton
- Horses – rich history and colourful symbol of Western Canada
- As the province grew and thrived, so did the horse racing industry until the early 80's
- Once popular but became one of many entertainment choices

# The Gaming Environment

Significant policy changes over 30 years

- Lotteries introduced in the mid-70s
- VLTs introduced in 1991;
- Increasing competition from new casinos
- Horse racing failed to adapt/change
- Slots introduced in 1996

# Racing Share of Gaming Market (1991 vs. 2003)



# An Industry in Turmoil

- Increase fractionation within industry
- Task Force Formed in 2001 to address issues
- **'Horse Racing Alberta'** formed in June 2002
- Renewed sense of purpose and a common direction through the Racing Industry Renewal Initiative

# Horse Racing Alberta

14 member Board representing:

- A Tracks – 2 members
- B Tracks – 1 member
- Thoroughbreds – 2 members
- Standardbreds – 2 members
- Other breeds – 1 member
- Public at large – 4 members including Chair
- Gov't – 2 ex-officio members

# Racino Revenue Distribution

Total Slots: 910 machines (4 locations)

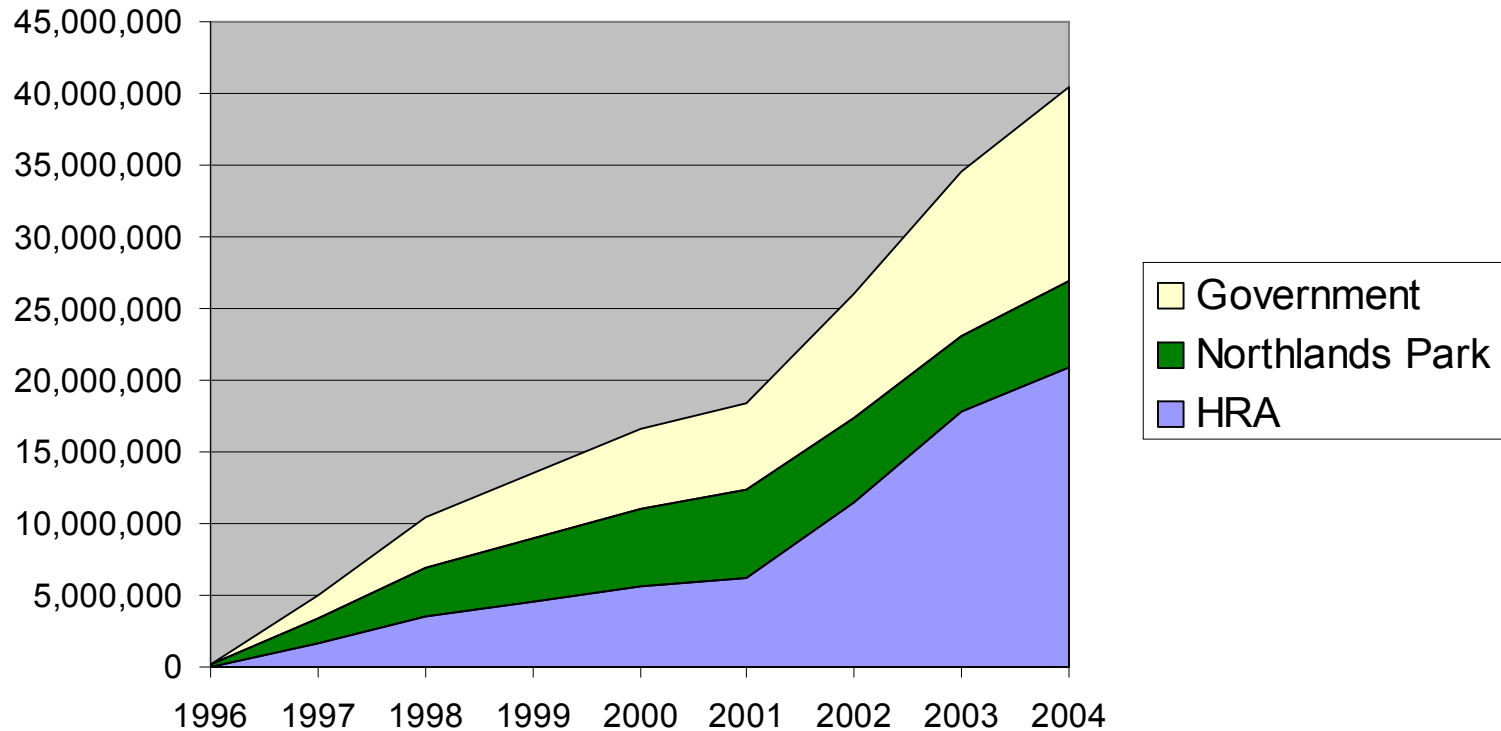
Revenue Distributions (net win):

- Racino operator: 15.0%
- Gov't of Alberta: 33.3 %
- Horse Racing Alberta: 51.7%



# Northlands Park – Continued Growth

## Northlands Park Slots- Net Revenue



# Racino Revenues in Context

## Total HRA Revenues:

Fees & Levies:	\$8.5 million
Other:	\$.6 million
Slot Revenues:	\$35.2 million
Lottery Fund:	<u>\$6.0 million</u>
Total Revenues:	\$50.3 million

# The Challenges

“ We have met the enemy  
and it is us!”

# The Challenges - General

1. Understanding what business we are really in!!!
  - Racing?
  - Gaming?
  - Racing & Gaming?
  - Entertainment with a unique gaming offering?
2. Understanding our customers.
3. Understanding our competitors – who are they and why
4. Developing racing as a more consumer friendly environment and gaming experience
  - Transition products and transition areas

# The Challenges - specific

1. Continued government support
  - Positioning racing as a net contributor, not a 'cost'
  - Long term licensing agreements
2. A changing landscape – from not for profit agricultural societies to the inclusion of a new private sector partner
3. Continued public support
  - Engage/entertain?
  - Or 'Keep in the dark?'
4. Surviving the impending 'valley of difficulty'

# The Future

“ If we quarrel about the past,  
we may miss the future.”

Winston Churchill