



Crown Corporation

B U S I N E S S P L A N S

FOR THE FISCAL YEAR 2009–2010

Nova Scotia Harness
Racing Incorporated
Business Plan 2009–2010

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Mission

The Nova Scotia Harness Racing Advisory Committee is responsible for evaluating how best to invest the government funding provided while moving the harness racing industry to a more competitive, self-sufficient funding position.

Performance in 2008–2009

During the 2008–2009 fiscal year, a total of 112 live race dates were achieved with the assistance provided by the Government of Nova Scotia. This assistance was also responsible for the successful Atlantic Sire Stakes races and the newly created Nova Scotia Stakes Series.

The track in North Sydney, Northside Downs, which received approval from the Maritime Provinces Harness Racing Commission to hold 29 race dates for the 2007–08 season had a very successful year and in 2008–09 received approval for 31 race dates. The Inverness racetrack has maintained a good population of horses and in 2008–09 began construction on a much-needed new barn. As in the past two years, Truro found it necessary to suspend racing for four weeks early in the year.

Funding was once again included for a Liaison Officer who spent time carrying out

tasks for the Nova Scotia Harness Racing Industry, including preparing a new five-year business plan. There was little or no activity during 2009 for the Maritime Provinces Development Council; however, there has been discussion as to the need to reactivate for 2009.

An economic feasibility study of the Nova Scotia harness racing industry was completed in 2008–09 with funds provided by Economic and Rural Development.

The success of a locally owned horse, Somebeachsomewhere, was a great promotion opportunity for the harness racing industry in Nova Scotia (Truro in particular), as well as the Maritime connection to Shadow Play and Santanna Blue Chip.

Strategic Goals

- Strive to improve the product, namely live harness racing, to be competitive in the entertainment market, promoting the industry to the public as a sport.
- Maintain the good working relationships between racetrack management and the horsemen to continue to treat each other as partners.
- Secure adequate long-term funding through government liaison and corporate sponsorships.
- Improve media coverage of both live racing events and the industry generally.



- Promote harness racing through development and implementation of a marketing plan.
- Encourage continuing quality in the Standardbred horse for the harness racing industry and promote local horses.
- Use the Nova Scotia Harness Racing Industry Association to provide leadership for the industry in Nova Scotia.

Core Business Areas

Entertainment and Standardbred horse genetics have been the core businesses of Nova Scotia Harness Racing Inc. The entertainment aspect consists of three components:

- live racing events/pari-mutuel wagering
- simulcast wagering/telephone account wagering
- gaming/video lottery terminals

There is a need to grow the business in each component so that more funds are available for harness horse owners. Greater incomes will pique interest in investing in the genetics aspects of the industry and drive values of breeding stock upwards.

Pari-mutuel betting is a fundamental source of funding of the live racing events and a key attraction for those keenly

interested in the gaming aspect of live harness racing.

Simulcasting of racing events beyond the local racetracks continues to be a major supporting funding source for the industry. Teletheatre locations for 2008 were located at Sackville Superbowl, Lower Sackville; Brewster's, Bedford; The Hoff Pub & Grill, Inverness; The Port Hood Fire Hall, Port Hood; Rollie's Wharf Restaurant & Lounge, North Sydney; the Martin Arms, Sydney; and JT's Bar in New Waterford.

Nova Scotia's industry recognizes that track sites cannot survive with only live racing and simulcast events. Increased competition in the gaming industry has contributed to this. A marketing study that would identify the target audience would serve as a starting point for future direction. Promoting the industry to the public has become a priority at this time. Inverness and North Sydney are working on getting their live races out to other tracks for simulcasting.

Genetics

Maritime-bred horses continue to do well when competing outside the region. Standardbred horses represent a rural economic development opportunity. Horse production facilities can be established on sites where other forms of agriculture cannot exist, because horses have an esthetic appeal. The breeding, rearing, and training of the Standardbred horse support many spinoff business opportunities and

are driven by the live racing events at the province's three raceways. Stakes races for colts and fillies born or bred in Nova Scotia were established in Nova Scotia in 2006 and will continue in 2009.



Budget Context

Revenues	Estimate 2008–09 (\$)	Actual 2008–09 (\$)	Anticipated Funding 2009–10 (\$)
NS Funding	1,000,000	1,000,000	1,000,000
Total Revenues	1,000,000	1,000,000	1,000,000
Expenditures	Breakdown will not be finalized until after budget approval		
Special Stakes	17,500	20,000	20,000
Atlantic Sire Stakes	200,000	203,279	215,000
Purse subsidy reimbursement	565,000	572,120	560,400
Maritime Provinces Harness Racing Commission	135,000	116,262	130,000
Operational costs—meeting expenses	1,500	1,164	1,500
Matinee tracks/youth promotion	5,000	3,873	5,000
Nova Scotia Stake Series	25,000	25,000	25,000
Liaison Officer position	40,000	34,995	20,200
5-year business plan preparation		15,000	
Scholarship	1,000	1,000	1,000
Allotment to access other funding sources/ind development	10,000	—	—
Northside Downs track upgrading (signal)	—	7,306	21,900
Total Expenses	1,000,000	999,999	1,000,000

Forecast Background

With three tracks providing live racing, there were 112 live race dates for 2008–2009. The Maritime Provinces Harness Racing Commission has made a deliberate effort to recruit officials through an apprenticeship program and to develop a continuing education and evaluation program including a judges' seminar to attract apprentice officials. The additional officials created across the Maritimes should help in keeping travel costs in check; however, there was an increase of 10 live race dates over last year.

Industry would like to see the funds for officiating provided to the Maritime Provinces Harness Racing Commission (MPHRC) from the Maritime Premiers Office rather than having the industry fund that expense.

A Nova Scotia Stakes Series was initiated in 2006 in an effort to encourage local breeders to produce high-performance race horses and to provide racing opportunities for these local products and a local product for simulcasting. This Nova Scotia Stake Series will continue in 2009–10 with an effort to further encourage the development of local “trotters.”

Budgeting for the liaison officer position was cut back in 2008–2009; however, the cost of producing a new five-year business plan made up the difference here.

Operating costs—meeting expenses (exclusive of administration costs) to manage the fund will remain similar to last year with a projection of \$1,300.00. The 4-H and matinee track fund came in slightly under budget at \$3,900.

Outcomes and Performance Measures

Core Business Area 1 Entertainment

Outcome	Measure	Base Year	2008	2009 Target	Strategies to Achieve Target
More live races	Increase in live races from base	2002: 100 race dates	112 race dates	Increase live race events	Long-term agreements between racetrack management and horse owners
More horse owners	Number of owners	2002: 403 owners	625	Increase by 10%	Improve income for horse owners
Increased bet	Amount of wager	2001 gross bet: \$12.8 million	Total wager: \$10.5 million	Increase gross bet by 10% over base year	Promote industry to grow fan numbers and wager amount
More entertainment	Attendance	2001: 70,000	72,000	Higher attendance	Expand entertainment options through better marketing and high-performance race horses



Core Business Area 2 *Genetics*

Outcome	Measure	Base Year	2008	2009 Target	Strategies to Achieve Target
More horses in race cards	Horse population	2001: 480 Standardbreds	680 Standardbreds racing	720	Improve financial status of industry
Greater interest in horse ownership	Average sale year	2001: \$4,400	\$5,400	Increase prices of horses—emphasis on Nova Scotia bred	Promote the Nova Scotia Stakes and other special stakes

Background Information for Targets

- Live race dates at 112 for 2008 but more dashes were held, reflecting higher horse numbers.
 - Horse owner numbers continue to grow, especially in Inverness and Northside.
 - Attendance was up slightly in 2008 for the three racetracks. The Nova Scotia Stake Series and increased races with Northside opening have contributed to this increased interest.
 - Total wager was down from previous year reflecting the trend across Canada.
- There were more horses in race cards at Inverness, Truro, and Northside.
- Fall sale of Standardbreds remains stable.
 - The long-range business plan for the industry is valid.
 - Horse owners and racetrack management at the province's three racetracks continue in a co-operative working relationship and demonstrate a unified position in the industry association.
 - Harness racing has become very popular at the Northside Racetrack, North Sydney.
 - Economic study for the Nova Scotia Harness Racing Industry indicated a significant impact in the province:
 - contributes \$11.585 million in household income
 - contributes \$1.6 million annually to government in taxes