

# HORSE RACING INDUSTRY FACT SHEET



## LONG TERM FUNDING

In Ontario, horse racing has a significant economic footprint, with over 29,000 race horses, 10,000 races at 15 racetracks, and over 45,000 full-time employees. Ontario's horse racing sector generates an over \$2.3 billion contribution to the province's GDP.

Ontario Racing, the new industry association for horse racing in Ontario, has been tasked with consulting with horse racing industry stakeholders regarding a proposed long-term funding framework in support of a sustainable live horse racing industry in Ontario.

### Slot Lease Revenue and Horse Racing

- In 1999, the Slots at Racetracks Program (SARP) was created to offset the loss of wagering dollars to competing casinos and address legitimate concerns that slot machines at racetracks would cannibalize wagering on horse racing.
- The Slots at Racetracks Program revenue share was 75% to the Ontario Lottery and Gaming branch of the Ontario Government, 5% to the host municipality, and 20% to the horse racing industry (about \$340M/year).
- In 2012, the provincial government cancelled the 'Slots at Racetracks Program' (SARP), ending the connection between gaming revenue and horse racing.
- The existing post-SARP slot leases at racetracks and the revenue they generate are related solely to the capitalization, operation, and management of slot facilities. Current slot lease revenues do not support or augment horse racing revenue in any way.

### MISSION

To promote and further the interests of horse racing in the province by fostering a trusted partnership with government and by championing and advocating for public policy that supports industry self determination and that creates and sustains a vibrant and financially sound horse racing industry.

### Horse Racing Partnership Program

- In 2014 the government introduced the Horse Racing Partnership Program, which provided \$99.4M/year of support for the horse racing industry for five years, to 2019. In 2016, the government announced this program would be extended for two years from 2020 to 2021.

The Horse Racing Partnership Program allocation was as follows:

- \$80.8 million went to all racetracks for purses
- \$5.7 million went to breeders awards (Enhanced HIP)
- \$11.0 million went to racetrack operations – all at FAR racetracks (Fort Erie, Ajax, Rideau Carleton) and regional racetracks (Leamington, Hiawatha, Kawartha and Dresden)
- \$1.96 million went to programs and administration - marketing, responsible gambling etc.

### Future Long-Term Funding

- Ontario Racing completed a public consultation on long term funding regarding a proposal developed by Ontario Lottery & Gaming (OLG), Woodbine Entertainment Group (WEG) and Ontario Racing (OR). This proposal calls for \$93.4M/year towards building a sustainable horse racing industry, for a 17-year period ending no later than 2038.
- Investments will be made based on objectives and performance measures to ensure decisions are based on evidence and value-for-money.
- This long-term funding agreement will provide certainty so that tracks and horsepersons can make breeding, capital, racing program and hiring decisions. Less reliance on public funds, over time, after demonstrated industry growth over targets.