



National Capital Region Harness Horse Association

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10 March 2021

Attention: Committee Members

Reference: NCRHHA Submission to the Standing Committee on Justice and Human Rights - Regarding Revisions to Bill C-218 respecting Single Sports Wagering and its Potential Impact to the Horse Racing Industry

Dear Committee Members,

I am writing to you on behalf of the National Capital Region Harness Horse Association to request that you kindly consider the points of view expressed in this communique on behalf the members of both our Ontario and Quebec-based racing community here in the National Capital Region.

The Canadian horse racing industry supports 50,000 jobs across Canada and contributes \$5.7 billion to our national economy. These jobs are entirely enabled through wagering on horse races through the pari-mutuel system regulated by the federal government. The jobs in our industry span well beyond those who just participate in races and work at the tracks. Through the economic trickle-down effect, breeders, farmers, barn workers, blacksmiths, grooms, hot-walkers, veterinarians and many other types of employment are supported across rural and urban Canada by our industry.

In the National Capital Region alone, the race track at Rideau Carleton has been supporting nearly 300 Ontario and Quebec families since its founding over 50 years ago. These families depend on racing as a career and primary income for their families throughout rural Ontario and Quebec. A significant amount of the \$5.8M of annual purse money that they race for at Rideau Carleton is reinvested into grooms, blacksmiths and caretakers whom they employ; also into their horses, breeders, and other elements of the broader agricultural industry that supports the racing community in and around the National Capital Region, allowing the local industry to survive.

The Need for a Carve-Out

Bill C-218, as drafted, expands wagering on horse racing beyond the pari-mutuel system and potentially creates an opening for external actors, including international companies, to offer wagering on horse racing under a new fixed odds, single sports wagering system. Fixed odds single sports wagering is conducted with a "house take" that is substantially lower than pari-mutuel wagering.

Should it pass in its current form, external organizations would not have any obligation to pay for any of the costs of producing the horseracing product (e.g. purses, track maintenance, etc). In addition, such external organizations will have no obligation to recycle any of the wagering handle to support programs for breeders, horse people and other elements of our industry.

This lack of obligation to our local industry would allow them to offer a competitive wagering product at a significantly reduced “house take” which would collapse the local horse racing industry along with the tens-of-thousands of jobs we support across rural and urban Canada.

The practical solution to this problem is to ensure provincial lottery schemes cannot license companies to offer wagering products on horse races. This would ensure that the current pari-mutuel system along with the supplementary agreements between industry members to share proceeds that support local jobs would remain in place. To be more specific, on November 26, 2020 the Canadian government presented a solution to this problem when it introduced Bill C-13, which retained Section 204(7)(b) of the Criminal Code of Canada amended as follows: *“(b) bookmaking, pool selling or the making or recording of bets, including bets made through the agency of a pool or pari-mutuel system, on any horse-race; or”*

By retaining the reference to “horse-race” in Section 204(7)(b), Bill C-13 protected horseracing from incursion by fixed odds single-event sports wagering on horse races. Respectfully, the NCRHHA is strongly of the view that it is incumbent upon the Standing Committee on Justice and Human Rights to incorporate the language contained in Government Bill C-13 into the Private Members Bill in order to provide the necessary protection for the horse racing industry and the tens of thousands of jobs it supports.

Thank you in advance for your consideration of a revision to Bill C-218. It is imperative to saving jobs across Canada and is not only a prudent economic decision, but is the right and ethically sound decision respecting the protection of decades of investment into this industry from families across rural Canada.

I would be pleased to make myself available for discussion should you wish.

Respectfully,



Gordon McDonald
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