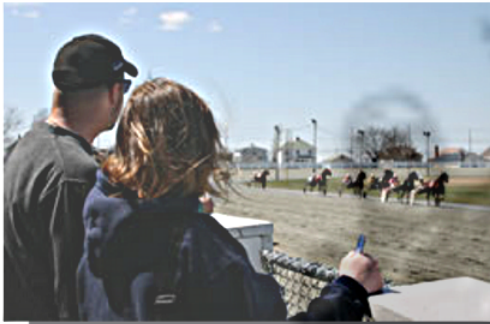


# Nova Scotia Harness Racing Industry Economic Impact Study



Canmac Economics Limited  
September, 2008

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## Executive Summary

The purpose of this report is to document the economic impacts of the Nova Scotia Harness Racing Industry on the Nova Scotia economy in 2007. An economic impact assessment provides an estimate of the total economic importance of the industry to the Nova Scotia economy in terms of industry output (Gross Domestic Product), household income and employment. The impact assessment measures the direct impact of the sector and the additional economic impact that results from multiplier effects as a result of respending in the economy.

The economic impact assessment was conducted using simulations with the Nova Scotia Input-Output (I-O) Model. Industry data was collected via industry surveys, personal interviews and telephone call backs. The data was then linked to the I-O Model accounting framework. The model then simulates three different economic indicators, total gross domestic product, household income and employment generated as a result of industry expenditures for 2007.

The major results of our analysis are as follows:

- Direct GDP increased by \$7.649 million.
- Total GDP increased by \$16.555 million.
- Direct Household Income increased by \$5.274 million.
- Total Household Income increased by \$10.857 million.
- Direct Employment (FTE) increased by 181.3 person years.
- Total Employment (FTE) increased by 448.0 person years.

## Chapter One - Introduction

### **1.1 Introduction**

The purpose of this report is to document the economic impacts of the Nova Scotia Harness Racing Industry on the Nova Scotia economy in 2007. An economic impact assessment provides an estimate of the total economic importance of the industry to the Nova Scotia economy in terms of industry output (Gross Domestic Product), household income and employment. The impact assessment measures the direct impact of the sector and the additional economic impact that results from multiplier effects as a result of responding in the economy.

### **1.2 Harness Racing**

Harness racing is a form of horse racing in which the horses race in a specified gait (*see Glossary*). They usually pull two-wheeled carts called sulkies. In what follows, we provide a brief overview of harness racing. A glossary provides definitions of the terms.

#### **THE BREED**

In most jurisdictions harness races are restricted to standardbred horses although cold-blooded horses are raced in Scandinavia and European horses often have partly French or even Russian lineages. Standardbreds are so called because in the early years of the Standardbred Stud Book only horses who could trot or pace a mile in a standard time, or whose progeny could do so, were entered into the book.

Standardbreds have proportionally shorter legs than thoroughbreds and longer bodies. They also are of more placid dispositions, as suits horses whose races involve more strategy and more re-acceleration than do thoroughbred races.

The founding sire of today's standardbred horse was Messenger, a gray thoroughbred brought to America in 1788 and then purchased by Henry Astor. From Messenger came a great-

grandson, Hambletonian 10 (1849-1876), who gained a wide following for his racing prowess. However, it is his breed line for which he is most remembered. The lineage of virtually all American Standardbred race horses can be traced from Hambletonian 10's four sons.

### **RACES**

Races can be conducted in two differing gaits; trotting and pacing. The difference is that a trotter moves its legs forward in diagonal pairs, right front and left hind, then left front and right hind striking the ground simultaneously, whereas a pacer moves its legs laterally, right front and right hind together, then left front and left hind.

In continental Europe races are conducted exclusively between trotters, whereas in Australia, Canada, New Zealand, the United Kingdom, and the United States races are also held for pacers.

Pacing races constitute 80% to 90% of the harness races conducted in North America. Pacing horses are faster and, most important to the bettor, less likely to break stride (a horse which starts to gallop must be slowed down and taken to the outside until it regains stride). One of the reasons pacers are less likely to break stride is that they often wear hobbles or hobbles, straps which connect the legs on each of the horse's sides. The belief that hobbles are used to create this gait is a misconception, the pace is a natural gait, the hobbles are merely an accessory to support the pace at top speed.

Most harness races start from behind a motorized starting gate. The horses line up behind a hinged gate mounted on a motor vehicle which then takes them to the starting line. At the starting line the wings of the gate are folded up and the vehicle accelerates away from the horses. The other kind of start to race is a standing start, where there are tapes across the track behind which the horses either stand stationary or trot in circles in pairs in a specific patterns to hit the starting line as a front. This enables handicaps to be placed on horses

according to class with several tapes, usually with 10 metres in between. Some European, Australian and New Zealand races start using tapes.

The sulky (informally known as a bike) is a light two-wheeled cart equipped with bicycle wheels. The driver carries a long, light whip which is chiefly used to signal the horse by tapping and to make noise by striking the sulky shaft. There are strict rules as to how and how much the whip may be used.

### **RACING**

Almost all North American races are at a distance of one mile, and North American harness horses are all assigned a “mark” which is their fastest winning time at that distance. Harness racing involves considerable strategy. Track size plays an important part here, on the smaller half-mile and five-eighths, rings common to harness racing, early speed becomes a more important factor, while the longer stretch runs of seven-eighths and mile tracks lend themselves more favourably to closing efforts. Usually several drivers will contend for the lead out of the gate. They then try to avoid getting boxed in as the horses form into two lines - one on the rail and the other outside, in the second quarter mile. They may decide to go to the front, to race on the front on the outside (“first over”, a difficult position), or to race with cover on the outside. On the rail behind the leader is a choice spot, known as the pocket, and a horse in that position is said to have a garden trip. Third on the rail is an undesirable spot, known on small tracks as the death hole. As the race nears the three-quarter mile mark, the drivers implement their tactics for advancing their positions - going to the lead early, circling the field, moving up an open rail, advancing behind a horse expected to tire, and so on. Unlike thoroughbreds, harness horses accelerate during the final quarter mile of a race. The finishes of harness races are often spectacular and perhaps more often extremely close. The judges (equivalent to thoroughbred stewards) often have to request prints of win, place, and show photos to determine the order of finish.

Most races are run on tracks constructed solely for harness racing (and may even have banked turns), but a few tracks conduct both harness and Thoroughbred flat racing.

Until the 1990s, harness tracks featured a rail on the inside, much like Thoroughbred tracks. This changed to the use of pylons, usually of a flexible material, which marked the inside boundary of the course. This innovation was mainly for safety reasons, as it allowed a driver to pull off to the inside of the course if necessary, avoiding injury to the driver, the horse and other competitors. In addition, this change allowed another innovation called “open stretch racing,” where an additional lane was opened to the inside of the traditional placement of the rail. Assuming the race leader was positioned at the rail at the top of the home stretch, that leader was required by rule to maintain that line (or perhaps move further out), while horses behind the leader could be moved into the open lane and potentially pass the leader. This helped alleviate a common problem where trailing horses would be “boxed in” behind the leader and another horse to the outside, and made race results more wide open - and thus more attractive to bettors with potentially higher payoffs. Open lane racing is only used in certain jurisdictions.

### **IMPORTANT RACES**

Important annual races include the Hambletonian, a race for three year old trotters first run in 1926 at Syracuse, N.Y. Since 1981 the Hambletonian has been run at the Meadowdowns, N.J. on the first Saturday in August. The Little Brown Jug, a race for three year old pacers has been run on the third Thursday after Labour Day at the County Fairgrounds in Delaware, Ohio since 1946. The Breeders Crown is an annual series of twelve races covering each of the sports twelve traditional categories of age, gait, and gender. The series was initiated by the Hambletonian Society in 1984, since then the races have rotated among a number of North American tracks. In recent years the races have alternated principally between the Meadowlands, N.J. and Mohawk Raceway in Ontario. The 2008 races for three year olds and up was held at the Mohawk Raceway on August 30<sup>th</sup> and the race for two and three year olds will be held November 29<sup>th</sup> at the Meadowlands. The Hambletonian is part of the Triple Crown of

Harness racing for trotters and the Little Brown Jub is part of the Triple Crown Racing for Pacers. Important Canadian races include the North American Cup (for pacers), the Canadian Pacing Derby, and the Maple Leaf Trot. The most notable harness tracks in North America are the Meadowlands Racetrack and Freehold Raceway, both in New Jersey, Yonkers Raceway in New York and Woodbine Racetrack and Mohawk Raceway, both in Ontario (harness racing is more popular than thoroughbred racing in Canada). Two major races in New Brunswick, Canada, represent the highlights of the Canadian Province's racing season, including the Walter Dale Memorial Pace at Fredericton Raceway held since 1956 and the McCain Memorial International Pace at Connell Park Raceway, in Woodstock. Since 1947, the "United States Harness Writers" Association annually votes for the "Harness Horse of the Year". Since inception, a pacer has received the honour 31 times and a trotter 26 times.

### **NOVA SCOTIA HARNESS RACING**

The Nova Scotia Harness Racing Industry operates from three (3) tracks in Nova Scotia - The Truro Raceway, The Inverness Raceway and the newly re-established Northside Downs Raceway.

## THE TRURO RACEWAY



The Truro Raceway is one of the oldest horse racing facilities in the country opening in 1865. The facility is owned and operated by the Nova Scotia Provincial Exhibition Commission. The Truro Raceway operates year round (January through December) offering both live and simulcast races during the year. The facility has over 220 horse stables at the site of this ½ mile horse racing track. During the 2007 racing season close to 50 live and in excess of 200 simulcast race cards were presented, both live and simulcast races are presented at the Truro Raceway with simulcast races also being offered at two metro Halifax locations; Sackville Superbowl in Lower Sackville and Brewster's Restaurant and Lounge in Bedford.

### **THE INVERNESS RACEWAY**



The Inverness Raceway began live racing in 1926. The facility is owned by the diocese of Antigonish and is leased for 100 years by the operators, a non-profit organization where everything goes back to the Horsemen. The organization is run by an eight member board of Executives. The Inverness Raceway operates year round offering 30 live race cards during the 2007 season of live races from June through October and over 200 simulcast race cards offered on site and at remote simulcast locations throughout Cape Breton. Remote simulcast locations are offered at The Hoff Pub and Grill in Inverness and The Fire Hall in Port Hood.

## THE NORTHSIDE DOWNS



Northside Downs, located on the Cape Breton Exhibition Grounds in North Sydney, first presented live harness racing on Dominion Day, July 1<sup>st</sup>, 1898. Over the years the track has experienced many ups and downs, operating at intervals until 1957, the last races were held at Northside Downs on September 9<sup>th</sup>, 1989. With the return of a live race program to Northside Downs in the Summer of 2007, a new era of harness racing in the Maritimes has begun. The facility is owned and operated by the Cape Breton Federation of Agriculture. Northside Downs operates year round offering both live and simulcast races during the year. During the 2007 racing season 29 live and in excess of 200 simulcast race cards were presented, both live and simulcast races are presented at Northside Downs with simulcast races being presented in Sydney and New Waterford. Remote simulcast races are presented at The Martin Arms in Sydney, Rollies Wharf in North Sydney and JT's Pub in New Waterford.

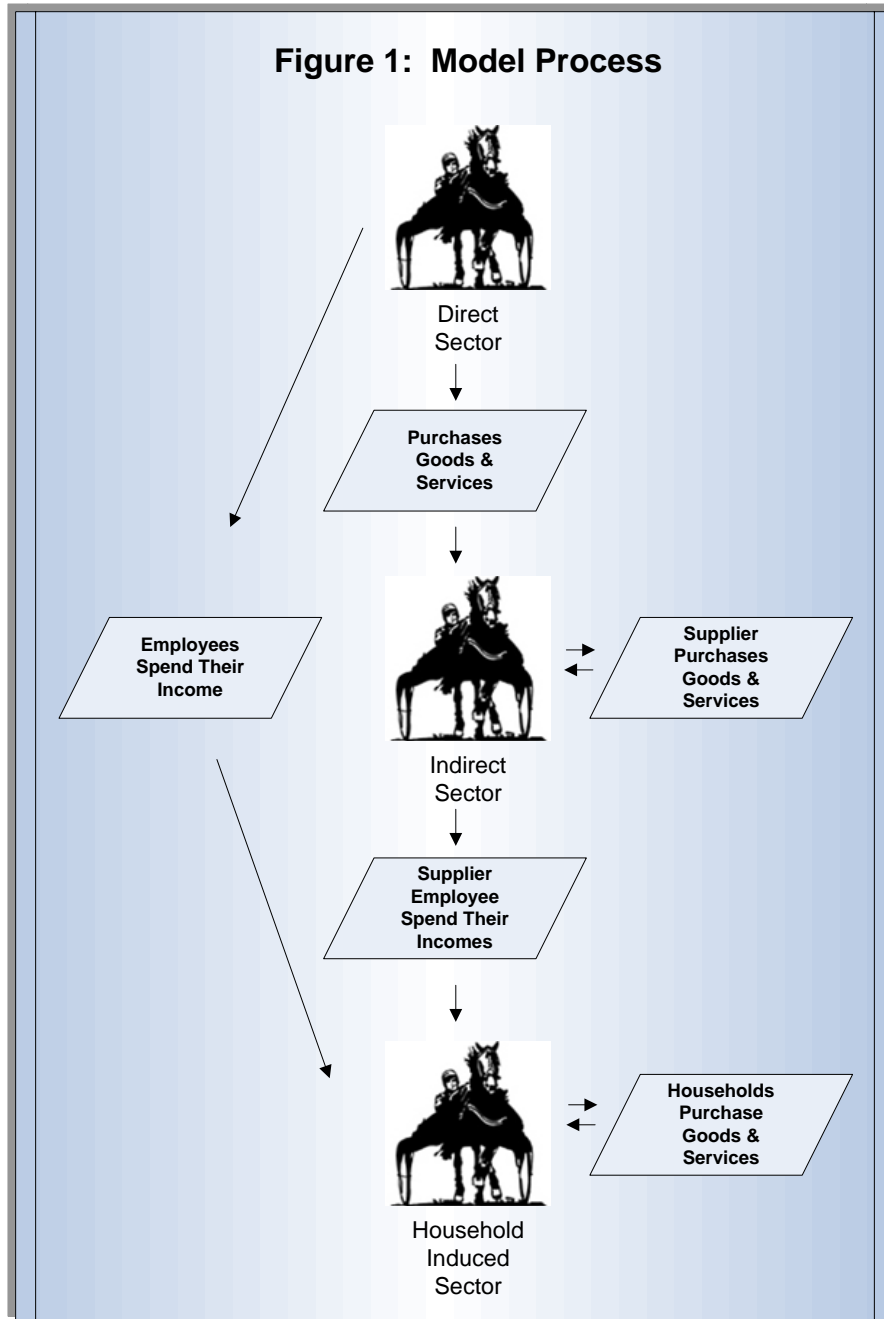
## ***1.3 Methodology Overview***

There are two major activities involved in conducting an economic impact assessment, 1) collecting direct data, and 2) conducting simulations with the Nova Scotia Input-Output Model. The Nova Scotia Harness Racing Industry's direct data collection phase involves obtaining key economic data on revenues and expenditures.

Data collection for the study involved three (3) surveys - 1) racetrack operations, 2) key stakeholders, and 3) horse breeders. Surveys were conducted by personal interviews and mailout with telephone call backs. The useable survey responses were:

- 5 racetrack operations plus simulcast operations
- 3 stakeholders surveys
- 6 breeder surveys

The Input-Output model takes as input the direct data and computes the total economic impact. These are measured as the sum of the direct, indirect and induced effects. Figure 1 provides a schematic of the I-O model process. Canmac's approach assembles the client data into a consistent accounting format and then conducts a simulation with Canmac's Nova Scotia Input-Output Model. Impact simulations trace out the indirect and induced effects.



### ***1.4 Report Outline***

The report is provided in three chapters, including the present one. Chapter Two provides the impact analysis. Chapter Three provides a summary and conclusion of the impact results. The appendices provide support material. Appendix A provides a more detailed analysis of the impact simulations. Appendix B provides the survey instruments. Appendix C provides a Glossary of Terms.

## Chapter Two - Economic Impact Analysis

### **2.1 Introduction**

This chapter sets out the analysis of total economic impact of the Nova Scotia Harness Racing Industry. The next section discusses the model framework and data for the direct phase. Section 2.2 presents the total impact input-output simulations.

An economic impact assessment (EIA) provides policy analysts with an understanding of the socio-economic contribution of a given industry to the Nova Scotia economy. The EIA examines both the direct sector impacts and the total impacts as revenues earned in the direct phase are respent in the local economy. The socio-economic impact measures used are as follows:

1. Gross Domestic Product - the sector's contribution to provincial output creation.
2. Household Income - wages and salaries created.
3. Employment - the number of jobs (as measured by full time equivalents) created.

In addition to the sector's economic contribution, the EIA estimates the sector's contribution to fiscal revenues.

### **2.2 Industry Overview**

We define the Nova Scotia Harness Racing Industry as those establishments that engage in racetrack operations or harness horse breeding operations. The economic revenue generated by these operations include 1) live harness race betting, 2) simulcast betting for the race track operations and horse breeding and training for the breeding operations, and 3) canteen concessions. The Nova Scotia Harness Racing Industry is a multi-million dollar industry. In 2007, the benchmark year for the impact study, we estimate the industry generated directly \$7.65million in provincial gross domestic product.

**RACE TRACK OPERATIONS**

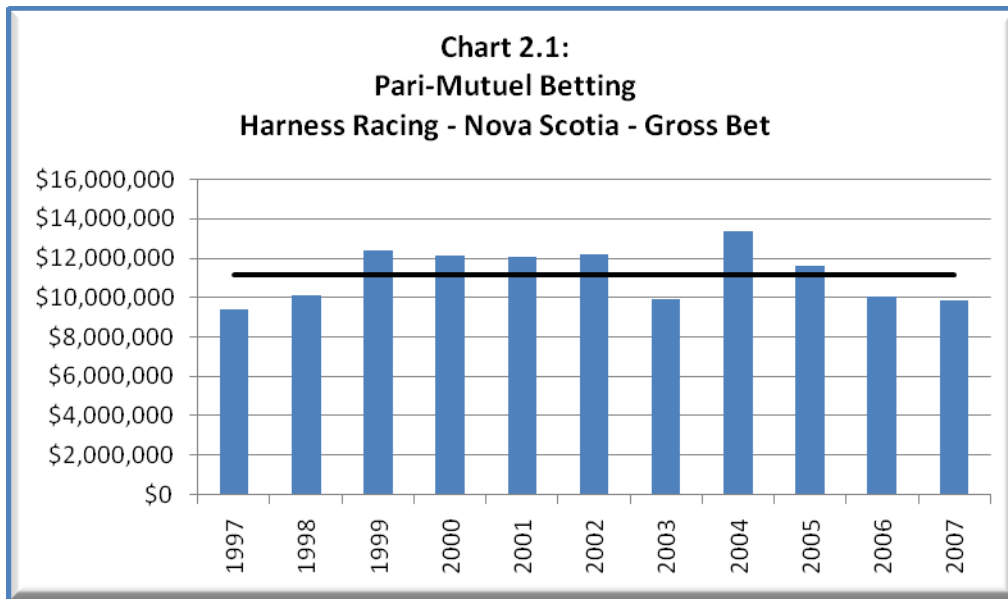
Overall trends in the Nova Scotia Harness Racing Industry in general are flat. Table 2.1 provides gross bet statistics for Nova Scotia from 1997 to 2007. Trend lines fitted to the data (Chart 2.1) reveals a slightly downward trend. Table 2.2 shows the gross bet by province. Ontario represents the largest share of the Canadian market at 64.8%. Nova Scotia’s market share is 1.09%. Table 2.3 shows the Nova Scotia total gross racetrack revenues for 2007. Gross revenues totalled \$10.1 million in 2007 for racetrack operation. These numbers include the bet payback. The net revenue that go to the race track operations is provided in Table 2.1. For 2007 it was \$1.3 million.

<b>Table 2.1</b> <b>Gross Bet Revenue</b> <b>Pari-Mutuel Betting - Harness Racing - Nova Scotia</b> <b>1997 - 2007</b>			
Year	Gross Bet	Association Revenue	Fed. Levy
1997	\$9,367,433.00	\$2,490,222.25	\$74,846.34
1998	\$10,097,035.50	\$2,730,331.73	\$80,677.32
1999	\$12,399,654.00	\$3,227,948.24	\$98,964.72
2000	\$12,081,669.00	\$3,039,278.44	\$96,496.42
2001	\$12,041,492.00	\$2,984,914.39	\$96,154.40
2002	\$12,200,204.00	\$3,000,352.52	\$97,094.17
2003	\$9,939,492.75	\$2,443,212.90	\$78,909.20
2004	\$13,333,427.00	\$3,213,107.45	\$105,582.91
2005	\$11,570,844.40	\$2,775,791.48	\$91,814.15
2006	\$10,061,255.60	\$2,429,271.84	\$79,599.67
2007	\$9,847,244.40	\$2,374,617.68	\$77,929.81

*Notes:*

1. Association % is the amount of the bet received by the race tracks and tele-theatres (simulcast) locations.
2. Federal levy is 0.8% of total bet used to fund Canadian Pari-mutuel Agency.

Source: Canadian Pari-Mutuel Agency, Breed Report (H)



**Table 2.2  
Gross Live and Simulcast Harness Racing Revenue  
Provinces, 2007**

	Total		Live		Simulcast	
	Actual	% of Total	Actual	% of Total	Actual	% of Total
Alberta	\$90,682,177.40	10.10%	\$26,643,358.60	7.96%	\$64,038,818.80	11.38%
British Columbia	\$105,604,314.00	11.76%	\$29,784,314.40	8.90%	\$75,819,999.60	13.47%
Manitoba	\$14,098,458.20	1.57%	\$5,711,847.20	1.71%	\$8,386,611.00	1.49%
New Brunswick	\$4,709,839.40	0.52%	\$570,080.00	0.17%	\$4,139,759.40	0.74%
Newfoundland	\$1,313,779.40	0.15%	\$34,422.00	0.01%	\$1,279,357.40	0.23%
Nova Scotia	\$9,773,817.60	1.09%	\$993,603.00	0.30%	\$8,780,214.60	1.56%
Ontario	\$581,480,030.14	64.77%	\$246,625,766.77	73.66%	\$334,854,263.37	59.48%
Prince Edward Island	\$6,247,367.80	0.70%	\$2,128,307.40	0.64%	\$4,119,060.40	0.73%
Quebec	\$77,489,329.20	8.63%	\$21,364,740.20	6.38%	\$56,124,589.00	9.97%
Saskatchewan	\$6,357,301.40	0.71%	\$975,302.00	0.29%	\$5,381,999.40	0.96%
<b>Total</b>	<b>\$897,756,414.54</b>	<b>100.00%</b>	<b>\$334,831,741.57</b>	<b>100.00%</b>	<b>\$562,924,672.97</b>	<b>100.00%</b>

Source: Canadian Pari-Mutuel Agency, Live and Simulcast Reports

Note 1: Nova Scotia total differs slightly from Table 2.1 due to different definitions (Table 2.1 contains a small foreign racing component).

Pari-Mutuel - Live	\$993,603.00
Pari-Mutuel - Simulcast	\$8,780,214.00
Less Paid Out	\$-7,483,887
Concession and Other	\$1,042,661
Net Revenue Before Taxes	\$3,332,601
<i>Source: Computed by Canmac Economics</i>	

Table 2.4 provides track operations expenditures by major category. The portion of track operations expenditures that are spent in Nova Scotia generates additional economic worth to Nova Scotia attributable to the race track operations. Overall the track operations expenses totalled \$3.239 million dollars with wages of \$.692 million dollars.

Direct Expenses (wages)	\$692,229.32
General & Administration Expenses	\$647,615.91
Other Expenses	\$1,899,255.46
Total	\$3,239,100.69
<i>Source: Computed by Canmac Economics Limited from annual accounts.</i>	

#### **OWNER/BREEDER PHASE**

The second major component to the industry is the breeder phase. Under the breeder phase standardbred horses are taken through the various phases of the racing horse life cycle. There are currently some 55 horse breeders in Nova Scotia, most own one or two horses but several have full time operations. Table 2.5 provides an estimate of the harness racing horse population in Nova Scotia

<b>Table 2.5: Nova Scotia Harness Racing Horse Population 2007</b>	
Horse Life Cycle Phase	Number
Foals	90
Yearling and Non-racing Two Year Olds	317
Racing horses	550
Mares and stallions	150
<i>Source: Survey conducted by Canmac Economics Limited</i>	

Data on revenues for breeders is not readily available, given the small size of this component. The major revenue stream is the earnings from racing. Additional revenue potential comes from stud fees and selling horses. Discussions with the industry suggest that selling horses for export has good potential. However, as of 2007 the export sales of horses in Canada has been negligible - \$45.2 million. According to Statistics Canada, there are no export sales from Nova Scotia.

Data on expenditures for the horse breeding and racing activity was collected by direct survey. Tables 2.6 and 2.7 show the total estimated expenditures by first the non-racing activity and then breeder activity. The breeder phase for non-racing horses is estimated to have total annual expenditures of \$2.694 million dollars. Race horses have estimated annual expenditures of \$6.026 million dollars.

**Table 2.6: Total Non-Racing Expenditures, Nova Scotia Breeding Phase (Foals, Yearlings, Mares and Stallions), 2007**

Wages	\$428,969.81	Office Equipment	\$16,750.50
Benefits	\$3,378.81	Travel	\$27,325.31
UI	\$2,018.73	Fertilizer	\$38,308.46
Agents Fees	\$11,905.16	Gas & Oil	\$74,104.92
Sales Preparation	\$46,376.74	Repairs	\$86,373.32
Sales Commissions	\$48,913.21	Depreciation - Horse	\$85,295.72
Advertising	\$52,738.35	Depreciation - Machinery	\$143,079.87
Stud Fees	\$175,061.90	Automobile	\$24,131.73
Nominations	\$61,149.46	Insurance - Horse	\$20,106.39
Boarding	\$56,234.14	Insurance - Other	\$42,814.34
Professional Services	\$13,265.13	Interest	\$118,373.40
Vet Care	\$179,938.23	Licenses	\$5,094.55
Farrier( <i>see Glossary</i> )	\$35,887.66	Sales Tax	\$110,126.26
Feed/ Bedding	\$477,411.77	Property Tax	\$32,470.07
Vaning ( <i>see Glossary</i> )	\$22,712.27	Local Tax	\$1,565.80
Tack & Supplies	\$36,040.99	Registration	\$18,373.98
Telephone	\$16,778.63	Other (Specify)	\$0.00
Utilities	\$28,257.22	Other \$	\$152,339.12
		Total	\$2,693,671.94
<i>Source: Canmac Economics Limited</i>			

**Table 2.7 : Racing Phase Total Expenditures, Nova Scotia Racing Horses, 2007**

Feed	\$409,826.29	Stake Payments	\$212,174.22
Vitamins	\$94,425.39	Legal	\$7,858.30
Bedding	\$144,278.47	Travel	\$220,744.39
Vet	\$323,337.80	Miscellaneous	\$73,775.61
Training	\$2,300,356.84	Interest	\$0.00
Groom	\$556,386.45	Horse Insurance	\$12,573.29
Paddock Cost	\$37,719.86	Communication	\$94,724.93
Equipment	\$352,397.81	Depreciation	\$7,858.30
Transportation	\$362,425.00	Liniments	\$35,016.60
Shoeing	\$420,890.79	Jogger Rental	\$17,288.27
Boarding	\$12,573.29	Licenses	\$18,231.27
Race Fees	\$311,188.86	Total	\$6,026,052.02

*Source: Canmac Economics Limited*

### 2.3 Impact Analysis

The direct Nova Scotia expenditures from 1) the track operation and 2) the breeder phase are used to conduct an economic impact simulation of the industry's total economic impact. The impact simulation results are provided in Tables 2.8 to 2.10. The report provides three different measures of the economic value of the industry – employment, household income and Gross Domestic Product. The appendices provide a more detailed analysis.

**Table 2.8: Racing Tracks Operations Impact**

	Direct	Spinoff	Total
Employment (#)	57.9	63.5	121.4
Household Income (000's \$)	\$1,738.0	\$1,369.6	\$3,107.6
Gross Domestic Product @ FC (000's \$)	\$1,994.0	\$2,217.4	\$4,211.4

*Note: Employment is full time equivalents*  
*Source: Canmac Economics Limited*

	Direct	Spinoff	Total
Employment (#)	12.1	4.0	16.1
Household Income (000's \$)	\$200.9	\$114.3	\$315.3
Gross Domestic Product @ FC (000's \$)	\$237.8	\$187.7	\$425.5
<i>Note: Direct employment is full time equivalents.</i>			
<i>Source: Canmac Economics Limited</i>			

**RACE TRACK OPERATIONS IMPACT**

The race track operations provides a total economic impact for first on-site operations and secondly offsite simulcast operations. On-site expenses by type represent direct expenditure categories to the Nova Scotia I-O Model. The total impact of these expenditures are shown in Table 2.8. The impact simulations show that:

- total household income increases by \$3.1 million dollars;
- total Gross Domestic Product increases by \$4.2 million dollars; and
- total employment increases by 121.4 (person years)

Simulcast operations are conducted in various offsite restaurants/retail establishments. We estimated the portion that simulcast revenues represent of total establishment revenues to estimate the simulcast impacts. Table 2.9 shows that the simulcast results in:

- \$.315 million in total household income;
- \$.426 million in Gross Domestic Product; and
- 16.1 person years of employment.

**OWNER/BREEDER OPERATIONS IMPACT**

The direct expenditure by type data presented in Tables 2.6 and 2.7 was used as the direct expenditure estimates for simulation of the Nova Scotia I-O Model. The model results are provided in Table 2.10. The breeder phase annual expenditures resulted in annual impacts as follows:

- an increase in total household income of \$7.3 million dollars; and
- an increase in Gross Domestic Product of \$11.8 million dollars; and
- an increase in total employment of 304.6 person years.

<b>Table 2.10: Racing Breeder/Owner Impact</b>			
	Direct	Spinoff	Total
Employment (#)	111.2	193.4	304.6
Household Income (000's \$)	\$3,334.6	\$4,004.7	\$7,339.4
Gross Domestic Product @ FC (000's \$)	\$5,417.1	\$6,393.1	\$11,810.2
<i>Note: Employment is full time equivalents.</i>			
<i>Source: Canmac Economics Limited</i>			

#### PROVINCIAL FISCAL REVENUE IMPACT

The estimated increase in provincial tax revenues is provided in Table 2.11 to 2.14. Provincial tax revenue is estimated to increase by \$1,584.6 thousand annually as a result of the economic impacts.

<b>Table 2.11: Racing Tracks Operations Impact</b>			
<b>Provincial Revenue Impact</b>			
	Direct	Spinoff	Total
Provincial Income Tax Revenue (000's \$)	\$110.0	\$86.7	\$196.7
Provincial HST Tax Revenue (000's \$)	\$76.0	\$59.8	\$135.8
Provincial Other Indirect Tax Revenue (000's \$)	\$56.2	\$44.3	\$100.5
Provincial Corporate Tax Revenue (000's \$)	\$1.3	\$16.1	\$17.4
Total (000's \$)	\$243.5	\$206.9	\$450.4
<i>Source: Canmac Economics Limited</i>			

<b>Table 2.12: Racing Track Simulcast Impact</b>			
<b>Provincial Revenue Impact</b>			
	Direct	Spinoff	Total
Provincial Income Tax Revenue (000's \$)	\$12.7	\$7.2	\$20.0
Provincial HST Tax Revenue (000's \$)	\$8.8	\$5.0	\$13.8
Provincial Other Indirect Tax Revenue (000's \$)	\$6.5	\$3.7	\$10.2
Provincial Corporate Tax Revenue (000's \$)	\$0.8	\$1.8	\$2.6
<b>Total (000's \$)</b>	<b>\$28.8</b>	<b>\$17.7</b>	<b>\$46.5</b>
<i>Source: Canmac Economics Limited</i>			

<b>Table 2.13: Racing Breeder/Owner Impact</b>			
<b>Provincial Revenue Impact</b>			
	Direct	Spinoff	Total
Provincial Income Tax Revenue (000's \$)	\$211.1	\$253.5	\$464.6
Provincial HST Tax Revenue (000's \$)	\$145.7	\$175.0	\$320.7
Provincial Other Indirect Tax Revenue (000's \$)	\$107.8	\$129.5	\$237.4
Provincial Corporate Tax Revenue (000's \$)	\$2.5	\$49.6	\$52.2
<b>Total (000's \$)</b>	<b>\$467.1</b>	<b>\$607.6</b>	<b>\$1,074.9</b>
<i>Source: Canmac Economics Limited</i>			

<b>Table 2.14: Total Provincial Revenue Impact</b>			
	Direct	Spinoff	Total
Provincial Income Tax Revenue (000's \$)	\$333.8	\$353.4	\$687.2
Provincial HST Tax Revenue (000's \$)	\$230.5	\$244.0	\$474.4
Provincial Other Indirect Tax Revenue (000's \$)	\$170.5	\$180.6	\$351.1
Provincial Corporate Tax Revenue (000's \$)	\$4.0	\$67.8	\$71.8
<b>Total (000's \$)</b>	<b>\$738.8</b>	<b>\$845.8</b>	<b>\$1,584.6</b>
<i>Source: Canmac Economics Limited</i>			
<i>Note: may not sum due to rounding</i>			

## Chapter Three- Summary and Conclusions

This chapter sets out a summary of our impact results and the conclusions of the analysis.

### **3.1 Summary**

The Nova Scotia Harness Industry is a significant contributor to the rural Nova Scotia economy. In the most recent full year of operation, the industry provided \$12.4 million in total expenditures. Impact simulations with the latest Nova Scotia Input-Output Model provide the following key results for the industry expenditures:

- Direct GDP increased by \$7.649 million.
- Total GDP increased by \$16.555 million.
- Direct Household Income increased by \$5.274 million.
- Total Household Income increased by \$10.857 million.
- Direct Employment (FTE) increased by 181.3 person years.
- Total Employment (FTE) increased by 448.0 person years.

In addition to the economic impact the industry also provides a fiscal impact. The fiscal impact measures the increase in government revenues and excludes any government subsidies. In 2007 the Nova Scotia Harness Racing Industry provided an estimated \$738.8 thousand in direct provincial revenues and \$1,584.6 thousand in total provincial revenues.

### **3.2 Conclusions**

An economic impact statement provides an assessment of the economic importance of a given industry to the Nova Scotia economy. The impact statement traces through the total increase in GDP, household income and employment that results from respending the expenditures from the direct stage of the industry. From an economic development perspective, the greater

the direct sector earns its revenue from export sales the more the industry creates incremental wealth. If industry sales are to local residents, then the economic impact is the result of income already generated in the economy. If the industry did not exist then households would most likely spend their household income on other goods and services produced in the economy and hence the incremental impact would be negligible. Alternatively, if households would spend the income on goods and services elsewhere, the local expenditures would represent import replacement and provide alternative incremental economic wealth from an economic development perspective.

The economic impact of the Nova Scotia Harness Racing Industry presented in this report is a conservative estimate of the economic importance of this sector for several reasons:

1. The Harness Racing Industry is one component of a broader interdependent economic cluster. The infrastructure used for racing is complimentary to hosting provincial exhibitions, and often a variety of community events. Harness Racing operations provide leverage that enables these other community events to be provided at a cost lower than would otherwise be the case.
2. The Nova Scotia Harness Racing Industry 'employs' a significant number of volunteers. While hard data does not exist on the size of the volunteer sector, it is estimated to be of the same order of magnitude as the employed sector. Volunteers attest to the importance that society places on the value of the sector over and above its economic importance.
3. The Nova Scotia Harness Racing Industry is significantly linked to Nova Scotia's rural economy - directly at the breeder stage and indirectly at the racetrack stage where many of those directly employed live in rural areas. Given the limited economic opportunities available to rural areas, the existence of a vibrant harness racing sector takes on added economic importance.

In conclusion, the Nova Scotia Harness Racing Industry provides a significant rural economic impact. The economic impact provides a measure of the contribution of the sector to the

economy. The sector's impact creates \$1.585 million in provincial revenues. Government contributions are estimated at \$1 million per year giving a fiscal revenue to cost of 1.585 revenue dollars per dollar of fiscal expenditures.

## Appendix A - Detailed Analysis

**STANDARD IMPACT REPORT**

Primary input / Model Results (1)

**NS Harness Racing Tracks Operations Impact  
MODEL VALUES DIRECT, SPINOFF & TOTAL**

	<b>DIRECT</b>	<b>SPINOFF</b>	<b>TOTAL</b>
EMPLOYMENT (number)	57.9	63.5	121.4
HOUSEHOLD INCOME (000's \$)	\$1,738.0	\$1,369.6	\$3,107.6
PROVINCIAL REVENUE (000's \$)	\$243.5	\$206.9	\$450.4
PROVINCIAL INCOME TAX REVENUE (000's \$)	\$110.0	\$86.7	\$196.7
PROVINCIAL HST TAX REVENUE (000's \$)	\$76.0	\$59.8	\$135.8
PROVINCIAL OTHER INDIRECT TAX REV. (000's \$)	\$56.2	\$44.3	\$100.5
PROVINCIAL COPRPORATE TAX REV. (000's \$)	\$1.3	\$16.1	\$17.4
GROSS DOMESTIC PRODUCT @ FC (000's \$)	\$1,994.0	\$2,217.4	\$4,211.4

(1) DIRECT EMP., GDP & PROV. TOTAL REVENUE FROM PRIMARY INPUTS, HOUSEHOLD INCOME, ETC. FROM NSIO MODEL. ALL DIRECT VALUES CAN BE OVERWRITTEN BY USER, TOTALS MAINTIANED.

**IMPACT SUMMARY REPORT**

<b>NS Harness Racing Tracks Operations Impact ECONOMIC IMPACT SORTED by IMPACT/IND.</b>	<b>INPUT 000's \$</b>	<b>IMPACT 000's \$ (Sort Col.)</b>	<b>HHREC. 000's \$</b>	<b>EMPLOY #</b>	<b>GDPFC 000's \$</b>
Households (includes direct employment)	\$1,738.00	\$3,107.55	\$1,738.00	57.9	\$0.0
Finance, Insurance & Real Estate Industries	\$69.30	\$776.77	\$196.19	3.2	\$490.6
Other Service Industries	\$558.01	\$662.73	\$278.15	28.7	\$537.2
Communications & Other Utilities Industries	\$180.48	\$405.05	\$124.25	3.3	\$276.9
Retail Trade Industries	\$10.70	\$291.45	\$149.03	9.0	\$176.4
DIRECT GDP@FC (primary input)	\$1,993.97	----->	Included in GDPFC total ----->		\$1,994.0
<b>TOTAL</b>	<b>\$3,067.64</b>	<b>\$7,166.66</b>	<b>\$3,107.55</b>	<b>121.4</b>	<b>\$4,211.4</b>

<b>NS Harness Racing Tracks Operations Impact FEDERAL AND PROVINCIAL FISCAL IMPACT SORTED by IMPACT/IND.</b>	<b>INPUT 000's \$</b>	<b>FEDERAL P.INCOME 000's \$</b>	<b>FEDERAL TOTAL 000's \$</b>	<b>PROV. P.INCOME 000's \$</b>	<b>PROV. TOTAL 000's \$ (Sort Col.)</b>
Households	\$1,738.0	\$162.2	\$257.5	\$110.0	\$244.5
Other Service Industries	\$558.0	\$26.0	\$44.7	\$17.6	\$40.5
Finance, Insurance & Real Estate Industries	\$69.3	\$18.3	\$45.2	\$12.4	\$34.0
Retail Trade Industries	\$10.7	\$13.9	\$23.1	\$9.4	\$21.4
Business Service Industries	\$146.4	\$13.8	\$22.3	\$9.3	\$20.9
DIRECT FEDERAL REVENUE (primary input)	\$0.0	----->	\$0.0		
DIRECT PROVINCIAL REVENUE (primary input)	\$0.0	----->	Included in Totals ----->		\$0.0
<b>TOTAL</b>	<b>\$3,067.6</b>	<b>\$290.1</b>	<b>\$493.4</b>	<b>\$196.7</b>	<b>\$450.4</b>

<b>PRIMARY INPUTS</b>	
DIRECT EMPLOYMENT(included in households)	57.9
DIRECT GDP@FC	\$1,994.0
DIRECT FEDERAL REVENUE	\$0.0
DIRECT PROVINCIAL REVENUE	\$0.0
IMPORTS	\$0.0

**KEY INDUSTRIES IMPACT REPORT**

<b>NS Harness Racing Tracks Operations Impact KEY INDUSTRY SECTORS IMPACT</b>	<b>INPUT</b> 000's \$	<b>IMPACT</b> 000's \$	<b>HHREC.</b> 000's \$	<b>EMPLOY</b> #	<b>GDPFC</b> 000's \$
RESOURCES	\$0.0	\$119.2	\$38.4	1.4	\$59.6
MANUFACTURING	\$0.0	\$370.2	\$79.9	2.1	\$106.9
CONSTRUCTION	\$178.3	\$223.0	\$81.8	2.1	\$88.3
TRANSPORTATION & COMMUNICATIONS	\$226.6	\$587.3	\$193.9	5.6	\$372.9
WHOLESALE & RETAIL TRADE	\$98.1	\$499.0	\$236.9	11.5	\$296.3
FINANCE, INSURANCE & REAL ESTATE	\$69.3	\$776.8	\$196.2	3.2	\$490.6
SERVICES	\$757.4	\$1,483.7	\$542.5	37.6	\$802.8
HOUSEHOLDS (includes direct employment)	\$1,738.0	\$3,107.6	\$1,738.0	57.9	\$0.0
DIRECT GDP@FC (primary input)	\$1,994.0	-----> Included in GDPFC total ---->			\$1,994.0
<b>TOTAL</b>	<b>\$3,067.6</b>	<b>\$7,166.7</b>	<b>\$3,107.6</b>	<b>121.4</b>	<b>\$4,211.4</b>

<b>NS Harness Racing Tracks Operations Impact FEDERAL AND PROVINCIAL KEY INDUSTRY SECTORS FISCAL IMPACT</b>	<b>INPUT</b> 000's \$	<b>FEDERAL P.INCOME</b> 000's \$	<b>FEDERAL TOTAL</b> 000's \$	<b>PROV. P.INCOME</b> 000's \$	<b>PROV. TOTAL</b> 000's \$
RESOURCES	\$0.0	\$3.6	\$6.8	\$2.4	\$5.8
MANUFACTURING	\$0.0	\$7.5	\$13.0	\$5.1	\$11.7
CONSTRUCTION	\$178.3	\$7.6	\$12.7	\$5.2	\$11.7
TRANSPORTATION & COMMUNICATIONS	\$226.6	\$18.1	\$36.3	\$12.3	\$30.3
WHOLESALE & RETAIL TRADE	\$98.1	\$22.1	\$37.6	\$15.0	\$34.3
FINANCE, INSURANCE & REAL ESTATE	\$69.3	\$18.3	\$45.2	\$12.4	\$34.0
SERVICES	\$757.4	\$50.6	\$84.5	\$34.3	\$78.0
HOUSEHOLDS	\$1,738.0	\$162.2	\$257.5	\$110.0	\$244.5
DIRECT FEDERAL REVENUE (primary input)	\$0.0	----->		\$0.0	
DIRECT PROVINCIAL REVENUE (primary input)	\$0.0	-----> Included in Totals ----->			\$0.0
<b>TOTAL</b>	<b>\$3,067.6</b>	<b>\$290.1</b>	<b>\$493.4</b>	<b>\$196.7</b>	<b>\$450.4</b>

**PRIMARY INPUTS**

DIRECT EMPLOYMENT(included in households)	57.9
DIRECT GDP@FC	\$1,994.0
DIRECT FEDERAL REVENUE	\$0.0
DIRECT PROVINCIAL REVENUE	\$0.0
IMPORTS	\$0.0

**STANDARD IMPACT REPORT**

Primary input / Model Results (1)

**Nova Scotia Harness Racing Total Impact  
MODEL VALUES DIRECT, SPINOFF & TOTAL**

	<b>DIRECT</b>	<b>SPINOFF</b>	<b>TOTAL</b>
EMPLOYMENT (number)	181.3	266.8	448.0
HOUSEHOLD INCOME (000's \$)	\$5,273.5	\$5,583.2	\$10,856.7
PROVINCIAL REVENUE (000's \$)	\$738.8	\$845.7	\$1,584.6
PROVINCIAL INCOME TAX REVENUE (000's \$)	\$333.8	\$353.4	\$687.2
PROVINCIAL HST TAX REVENUE (000's \$)	\$230.5	\$244.0	\$474.4
PROVINCIAL OTHER INDIRECT TAX REV. (000's \$)	\$170.5	\$180.6	\$351.1
PROVINCIAL COPRPORATE TAX REV. (000's \$)	\$4.0	\$67.8	\$71.8
GROSS DOMESTIC PRODUCT @ FC (000's \$)	\$7,648.8	\$8,906.6	\$16,555.3

(1) DIRECT EMP., GDP & PROV. TOTAL REVENUE FROM PRIMARY INPUTS, HOUSEHOLD INCOME, ETC. FROM NSIO MODEL. ALL DIRECT VALUES CAN BE OVERWRITTEN BY USER, TOTALS MAINTIANED.

**IMPACT SUMMARY REPORT**

<b>Nova Scotia Harness Racing Total Impact ECONOMIC IMPACT SORTED by IMPACT/IND.</b>	<b>INPUT</b> 000's \$	<b>IMPACT</b> 000's \$ <span style="color: red;">(Sort Col.)</span>	<b>HHREC.</b> 000's \$	<b>EMPLOY</b> #	<b>GDPFC</b> 000's \$
Households (includes direct employment)	\$5,273.46	\$10,856.66	\$5,273.46	181.3	\$0.0
Finance, Insurance & Real Estate Industries	\$263.17	\$2,815.01	\$710.99	11.5	\$1,778.1
Agriculture and Related Service Industries	\$2,273.16	\$2,670.00	\$729.48	46.7	\$1,234.8
Other Service Industries	\$1,366.47	\$1,737.61	\$729.27	75.2	\$1,408.5
Retail Trade Industries	\$737.41	\$1,716.29	\$877.60	53.0	\$1,038.7
DIRECT GDP@FC (primary input)	\$7,648.78	----->	Included in GDPFC total	----->	\$7,648.8
<b>TOTAL</b>	<b>\$11,794.49</b>	<b>\$28,068.08</b>	<b>\$10,856.66</b>	<b>448.0</b>	<b>\$16,555.3</b>

<b>Nova Scotia Harness Racing Total Impact FEDERAL AND PROVINCIAL FISCAL IMPACT SORTED by IMPACT/IND.</b>	<b>INPUT</b> 000's \$	<b>FEDERAL P.INCOME</b> 000's \$	<b>FEDERAL TOTAL</b> 000's \$	<b>PROV. P.INCOME</b> 000's \$	<b>PROV. TOTAL</b> 000's \$ <span style="color: red;">(Sort Col.)</span>
Households	\$5,273.5	\$492.3	\$784.0	\$333.8	\$743.1
Retail Trade Industries	\$737.4	\$81.9	\$136.0	\$55.6	\$125.9
Finance, Insurance & Real Estate Industries	\$263.2	\$66.4	\$163.7	\$45.0	\$123.3
Agriculture and Related Service Industries	\$2,273.2	\$68.1	\$132.7	\$46.2	\$112.5
Other Service Industries	\$1,366.5	\$68.1	\$117.2	\$46.2	\$106.2
DIRECT FEDERAL REVENUE (primary input)	\$0.0	----->	\$0.0		
DIRECT PROVINCIAL REVENUE (primary input)	\$0.0	----->	Included in Totals	----->	\$0.0
<b>TOTAL</b>	<b>\$11,794.5</b>	<b>\$1,013.5</b>	<b>\$1,751.2</b>	<b>\$687.2</b>	<b>\$1,584.6</b>

<b>PRIMARY INPUTS</b>	
DIRECT EMPLOYMENT(included in households)	181.3
DIRECT GDP@FC	\$7,648.8
DIRECT FEDERAL REVENUE	\$0.0
DIRECT PROVINCIAL REVENUE	\$0.0
IMPORTS	\$0.0

**KEY INDUSTRIES IMPACT REPORT**

<b>Nova Scotia Harness Racing Total Impact KEY INDUSTRY SECTORS IMPACT</b>	<b>INPUT</b> 000's \$	<b>IMPACT</b> 000's \$	<b>HHREC.</b> 000's \$	<b>EMPLOY</b> #	<b>GDPFC</b> 000's \$
RESOURCES	\$2,273.2	\$3,034.3	\$852.9	50.2	\$1,421.4
MANUFACTURING	\$165.2	\$1,856.2	\$382.3	9.9	\$532.6
CONSTRUCTION	\$264.6	\$464.8	\$170.5	4.4	\$184.0
TRANSPORTATION & COMMUNICATIONS	\$775.6	\$2,142.9	\$730.4	21.7	\$1,312.8
WHOLESALE & RETAIL TRADE	\$824.8	\$2,295.6	\$1,123.0	60.0	\$1,373.4
FINANCE, INSURANCE & REAL ESTATE	\$263.2	\$2,815.0	\$711.0	11.5	\$1,778.1
SERVICES	\$1,954.5	\$4,602.6	\$1,613.2	108.9	\$2,304.3
HOUSEHOLDS (includes direct employment)	\$5,273.5	\$10,856.7	\$5,273.5	181.3	\$0.0
DIRECT GDP@FC (primary input)	\$7,648.8	-----> Included in GDPFC total ----->			\$7,648.8
<b>TOTAL</b>	<b>\$11,794.5</b>	<b>\$28,068.1</b>	<b>\$10,856.7</b>	<b>448.0</b>	<b>\$16,555.3</b>

<b>Nova Scotia Harness Racing Total Impact FEDERAL AND PROVINCIAL KEY INDUSTRY SECTORS FISCAL IMPACT</b>	<b>INPUT</b> 000's \$	<b>FEDERAL P.INCOME</b> 000's \$	<b>FEDERAL TOTAL</b> 000's \$	<b>PROV. P.INCOME</b> 000's \$	<b>PROV. TOTAL</b> 000's \$
RESOURCES	\$2,273.2	\$79.6	\$154.3	\$54.0	\$131.1
MANUFACTURING	\$165.2	\$35.7	\$63.4	\$24.2	\$56.5
CONSTRUCTION	\$264.6	\$15.9	\$26.4	\$10.8	\$24.4
TRANSPORTATION & COMMUNICATIONS	\$775.6	\$68.2	\$132.6	\$46.2	\$112.5
WHOLESALE & RETAIL TRADE	\$824.8	\$104.8	\$176.4	\$71.1	\$162.0
FINANCE, INSURANCE & REAL ESTATE	\$263.2	\$66.4	\$163.7	\$45.0	\$123.3
SERVICES	\$1,954.5	\$150.6	\$250.5	\$102.1	\$231.6
HOUSEHOLDS	\$5,273.5	\$492.3	\$784.0	\$333.8	\$743.1
DIRECT FEDERAL REVENUE (primary input)	\$0.0	-----> \$0.0			
DIRECT PROVINCIAL REVENUE (primary input)	\$0.0	-----> Included in Totals ----->			\$0.0
<b>TOTAL</b>	<b>\$11,794.5</b>	<b>\$1,013.5</b>	<b>\$1,751.2</b>	<b>\$687.2</b>	<b>\$1,584.6</b>

**PRIMARY INPUTS**

DIRECT EMPLOYMENT(included in households)	181.3
DIRECT GDP@FC	\$7,648.8
DIRECT FEDERAL REVENUE	\$0.0
DIRECT PROVINCIAL REVENUE	\$0.0
IMPORTS	\$0.0

**STANDARD IMPACT REPORT**

Primary input / Model Results (1)

<b>NS Harness Racing Simulcast Impact MODEL VALUES DIRECT, SPINOFF &amp; TOTAL</b>	<b>DIRECT</b>	<b>SPINOFF</b>	<b>TOTAL</b>
EMPLOYMENT (number)	0.0	16.1	16.1
HOUSEHOLD INCOME (000's \$)	\$200.9	\$114.3	\$315.3
PROVINCIAL REVENUE (000's \$)	\$0.0	\$46.6	\$46.6
PROVINCIAL INCOME TAX REVENUE (000's \$)	\$12.7	\$7.2	\$20.0
PROVINCIAL HST TAX REVENUE (000's \$)	\$8.8	\$5.0	\$13.8
PROVINCIAL OTHER INDIRECT TAX REV. (000's \$)	\$6.5	\$3.7	\$10.2
PROVINCIAL COPRPORATE TAX REV. (000's \$)	\$0.8	\$1.8	\$2.6
GROSS DOMESTIC PRODUCT @ FC (000's \$)	\$0.0	\$425.5	\$425.5

(1) DIRECT EMP., GDP & PROV. TOTAL REVENUE FROM PRIMARY INPUTS, HOUSEHOLD INCOME, ETC. FROM NSIO MODEL. ALL DIRECT VALUES CAN BE OVERWRITTEN BY USER, TOTALS MAINTIANED.

**IMPACT SUMMARY REPORT**

<b>NS Harness Racing Simulcast Impact ECONOMIC IMPACT SORTED by IMPACT/IND.</b>	<b>INPUT 000's \$</b>	<b>IMPACT 000's \$ (Sort Col.)</b>	<b>HHREC. 000's \$</b>	<b>EMPLOY #</b>	<b>GDPFC 000's \$</b>
Retail Trade Industries	\$392.98	\$419.81	\$214.67	13.0	\$254.1
Households (includes direct employment)	\$0.00	\$315.28	\$0.00	0.0	\$0.0
Finance, Insurance & Real Estate Industries	\$0.00	\$101.20	\$25.56	0.4	\$63.9
Communications & Other Utilities Industries	\$0.00	\$43.96	\$13.48	0.4	\$30.1
Travel & Entertainment, Advertising & Promotion	\$0.00	\$30.83	\$0.00	0.0	\$0.0
DIRECT GDP@FC (primary input)	\$0.00	----->	Included in GDPFC total ----->		\$0.0
<b>TOTAL</b>	<b>\$392.98</b>	<b>\$1,093.74</b>	<b>\$315.28</b>	<b>16.1</b>	<b>\$425.5</b>

<b>NS Harness Racing Simulcast Impact FEDERAL AND PROVINCIAL FISCAL IMPACT SORTED by IMPACT/IND.</b>	<b>INPUT 000's \$</b>	<b>FEDERAL P.INCOME 000's \$</b>	<b>FEDERAL TOTAL 000's \$</b>	<b>PROV. P.INCOME 000's \$</b>	<b>PROV. TOTAL 000's \$ (Sort Col.)</b>
Retail Trade Industries	\$393.0	\$20.0	\$33.3	\$13.6	\$30.8
Finance, Insurance & Real Estate Industries	\$0.0	\$2.4	\$5.9	\$1.6	\$4.4
Communications & Other Utilities Industries	\$0.0	\$1.3	\$2.7	\$0.9	\$2.2
Business Service Industries	\$0.0	\$1.4	\$2.2	\$0.9	\$2.1
Transportation & Storage Industries	\$0.0	\$0.6	\$1.1	\$0.4	\$1.0
DIRECT FEDERAL REVENUE (primary input)	\$0.0	----->	\$0.0		
DIRECT PROVINCIAL REVENUE (primary input)	\$0.0	----->	Included in Totals ----->		\$0.0
<b>TOTAL</b>	<b>\$393.0</b>	<b>\$29.4</b>	<b>\$52.2</b>	<b>\$20.0</b>	<b>\$46.6</b>

<b>PRIMARY INPUTS</b>	
DIRECT EMPLOYMENT(included in households)	0.0
DIRECT GDP@FC	\$0.0
DIRECT FEDERAL REVENUE	\$0.0
DIRECT PROVINCIAL REVENUE	\$0.0
IMPORTS	\$0.0

**KEY INDUSTRIES IMPACT REPORT**

<b>NS Harness Racing Simulcast Impact KEY INDUSTRY SECTORS IMPACT</b>	<b>INPUT 000's \$</b>	<b>IMPACT 000's \$</b>	<b>HHREC. 000's \$</b>	<b>EMPLOY #</b>	<b>GDPFC 000's \$</b>
RESOURCES	\$0.0	\$13.2	\$4.2	0.2	\$6.6
MANUFACTURING	\$0.0	\$44.5	\$9.5	0.2	\$13.1
CONSTRUCTION	\$0.0	\$7.4	\$2.7	0.1	\$2.9
TRANSPORTATION & COMMUNICATIONS	\$0.0	\$61.6	\$20.2	0.6	\$39.4
WHOLESALE & RETAIL TRADE	\$393.0	\$433.2	\$220.3	13.1	\$261.8
FINANCE, INSURANCE & REAL ESTATE	\$0.0	\$101.2	\$25.6	0.4	\$63.9
SERVICES	\$0.0	\$117.3	\$32.6	1.5	\$37.8
HOUSEHOLDS (includes direct employment)	\$0.0	\$315.3	\$0.0	0.0	\$0.0
DIRECT GDP@FC (primary input)	\$0.0	-----> Included in GDPFC total ----->			\$0.0
<b>TOTAL</b>	<b>\$393.0</b>	<b>\$1,093.7</b>	<b>\$315.3</b>	<b>16.1</b>	<b>\$425.5</b>

<b>NS Harness Racing Simulcast Impact FEDERAL AND PROVINCIAL KEY INDUSTRY SECTORS FISCAL IMPACT</b>	<b>INPUT 000's \$</b>	<b>FEDERAL P.INCOME 000's \$</b>	<b>FEDERAL TOTAL 000's \$</b>	<b>PROV. P.INCOME 000's \$</b>	<b>PROV. TOTAL 000's \$</b>
RESOURCES	\$0.0	\$0.4	\$0.7	\$0.3	\$0.6
MANUFACTURING	\$0.0	\$0.9	\$1.6	\$0.6	\$1.4
CONSTRUCTION	\$0.0	\$0.3	\$0.4	\$0.2	\$0.4
TRANSPORTATION & COMMUNICATIONS	\$0.0	\$1.9	\$3.8	\$1.3	\$3.2
WHOLESALE & RETAIL TRADE	\$393.0	\$20.6	\$34.2	\$13.9	\$31.6
FINANCE, INSURANCE & REAL ESTATE	\$0.0	\$2.4	\$5.9	\$1.6	\$4.4
SERVICES	\$0.0	\$3.0	\$5.0	\$2.1	\$4.6
HOUSEHOLDS	\$0.0	\$0.0	\$0.6	\$0.0	\$0.2
DIRECT FEDERAL REVENUE (primary input)	\$0.0	----->		\$0.0	
DIRECT PROVINCIAL REVENUE (primary input)	\$0.0	-----> Included in Totals ----->			\$0.0
<b>TOTAL</b>	<b>\$393.0</b>	<b>\$29.4</b>	<b>\$52.2</b>	<b>\$20.0</b>	<b>\$46.6</b>

**PRIMARY INPUTS**

DIRECT EMPLOYMENT(included in households)	0.0
DIRECT GDP@FC	\$0.0
DIRECT FEDERAL REVENUE	\$0.0
DIRECT PROVINCIAL REVENUE	\$0.0
IMPORTS	\$0.0

**STANDARD IMPACT REPORT**

Primary input / Model Results (1)

**NS Harness Racing Breeder/Owner Impact**

**MODEL VALUES DIRECT, SPINOFF & TOTAL**

	<b>DIRECT</b>	<b>SPINOFF</b>	<b>TOTAL</b>
EMPLOYMENT (number)	111.2	193.4	304.6
HOUSEHOLD INCOME (000's \$)	\$3,334.6	\$4,004.7	\$7,339.4
PROVINCIAL REVENUE (000's \$)	\$467.2	\$607.6	\$1,074.8
PROVINCIAL INCOME TAX REVENUE (000's \$)	\$211.1	\$253.5	\$464.6
PROVINCIAL HST TAX REVENUE (000's \$)	\$145.7	\$175.0	\$320.7
PROVINCIAL OTHER INDIRECT TAX REV. (000's \$)	\$107.8	\$129.5	\$237.4
PROVINCIAL COPRPORATE TAX REV. (000's \$)	\$2.5	\$49.6	\$52.2
GROSS DOMESTIC PRODUCT @ FC (000's \$)	\$5,417.1	\$6,393.1	\$11,810.2

(1) DIRECT EMP., GDP & PROV. TOTAL REVENUE FROM PRIMARY INPUTS, HOUSEHOLD INCOME, ETC. FROM NSIO MODEL. ALL DIRECT VALUES CAN BE OVERWRITTEN BY USER, TOTALS MAINTIANED.

**IMPACT SUMMARY REPORT**

<b>NS Harness Racing Breeder/Owner Impact ECONOMIC IMPACT SORTED by IMPACT/IND.</b>	<b>INPUT 000's \$</b>	<b>IMPACT 000's \$ (Sort Col.)</b>	<b>HHREC. 000's \$</b>	<b>EMPLOY #</b>	<b>GDPFC 000's \$</b>
Households (includes direct employment)	\$3,334.63	\$7,339.37	\$3,334.63	111.2	\$0.0
Agriculture and Related Service Industries	\$2,273.16	\$2,630.95	\$718.81	46.0	\$1,216.7
Finance, Insurance & Real Estate Industries	\$193.87	\$1,935.59	\$488.88	7.9	\$1,222.6
Retail Trade Industries	\$534.63	\$1,200.15	\$613.68	37.1	\$726.4
Other Service Industries	\$808.47	\$1,063.09	\$446.17	46.0	\$861.7
DIRECT GDP@FC (primary input)	\$5,417.05	----->	Included in GDPFC total ----->		\$5,417.1
<b>TOTAL</b>	<b>\$8,333.93</b>	<b>\$19,941.47</b>	<b>\$7,339.37</b>	<b>304.6</b>	<b>\$11,810.2</b>

<b>NS Harness Racing Breeder/Owner Impact FEDERAL AND PROVINCIAL FISCAL IMPACT SORTED by IMPACT/IND.</b>	<b>INPUT 000's \$</b>	<b>FEDERAL P.INCOME 000's \$</b>	<b>FEDERAL TOTAL 000's \$</b>	<b>PROV. P.INCOME 000's \$</b>	<b>PROV. TOTAL 000's \$ (Sort Col.)</b>
Households	\$3,334.6	\$311.3	\$496.6	\$211.1	\$470.2
Agriculture and Related Service Industries	\$2,273.2	\$67.1	\$130.7	\$45.5	\$110.8
Retail Trade Industries	\$534.6	\$57.3	\$95.1	\$38.8	\$88.0
Finance, Insurance & Real Estate Industries	\$193.9	\$45.6	\$112.6	\$30.9	\$84.8
Other Service Industries	\$808.5	\$41.7	\$71.7	\$28.2	\$65.0
DIRECT FEDERAL REVENUE (primary input)	\$0.0	----->	\$0.0		
DIRECT PROVINCIAL REVENUE (primary input)	\$0.0	----->	Included in Totals ----->		\$0.0
<b>TOTAL</b>	<b>\$8,333.9</b>	<b>\$685.1</b>	<b>\$1,192.9</b>	<b>\$464.6</b>	<b>\$1,074.8</b>

<b>PRIMARY INPUTS</b>	
DIRECT EMPLOYMENT(included in households)	111.2
DIRECT GDP@FC	\$5,417.1
DIRECT FEDERAL REVENUE	\$0.0
DIRECT PROVINCIAL REVENUE	\$0.0
IMPORTS	\$0.0

**KEY INDUSTRIES IMPACT REPORT**

<b>NS Harness Racing Breeder/Owner Impact KEY INDUSTRY SECTORS IMPACT</b>	<b>INPUT 000's \$</b>	<b>IMPACT 000's \$</b>	<b>HHREC. 000's \$</b>	<b>EMPLOY #</b>	<b>GDPFC 000's \$</b>
RESOURCES	\$2,273.2	\$2,901.5	\$810.1	48.7	\$1,355.1
MANUFACTURING	\$165.2	\$1,441.2	\$292.9	7.6	\$412.7
CONSTRUCTION	\$86.4	\$235.7	\$86.5	2.2	\$93.3
TRANSPORTATION & COMMUNICATIONS	\$549.0	\$1,505.9	\$520.1	15.7	\$908.3
WHOLESALE & RETAIL TRADE	\$534.6	\$1,558.0	\$765.3	41.4	\$933.1
FINANCE, INSURANCE & REAL ESTATE	\$193.9	\$1,935.6	\$488.9	7.9	\$1,222.6
SERVICES	\$1,197.1	\$3,024.2	\$1,041.0	70.0	\$1,468.1
HOUSEHOLDS (includes direct employment)	\$3,334.6	\$7,339.4	\$3,334.6	111.2	\$0.0
DIRECT GDP@FC (primary input)	\$5,417.1	----->	Included in GDPFC total	----->	\$5,417.1
<b>TOTAL</b>	<b>\$8,333.9</b>	<b>\$19,941.5</b>	<b>\$7,339.4</b>	<b>304.6</b>	<b>\$11,810.2</b>

<b>NS Harness Racing Breeder/Owner Impact FEDERAL AND PROVINCIAL KEY INDUSTRY SECTORS FISCAL IMPACT</b>	<b>INPUT 000's \$</b>	<b>FEDERAL P.INCOME 000's \$</b>	<b>FEDERAL TOTAL 000's \$</b>	<b>PROV. P.INCOME 000's \$</b>	<b>PROV. TOTAL 000's \$</b>
RESOURCES	\$2,273.2	\$75.6	\$146.7	\$51.3	\$124.6
MANUFACTURING	\$165.2	\$27.3	\$48.8	\$18.5	\$43.4
CONSTRUCTION	\$86.4	\$8.1	\$13.4	\$5.5	\$12.4
TRANSPORTATION & COMMUNICATIONS	\$549.0	\$48.6	\$93.2	\$32.9	\$79.6
WHOLESALE & RETAIL TRADE	\$534.6	\$71.4	\$120.1	\$48.4	\$110.4
FINANCE, INSURANCE & REAL ESTATE	\$193.9	\$45.6	\$112.6	\$30.9	\$84.8
SERVICES	\$1,197.1	\$97.2	\$161.5	\$65.9	\$149.4
HOUSEHOLDS	\$3,334.6	\$311.3	\$496.6	\$211.1	\$470.2
DIRECT FEDERAL REVENUE (primary input)	\$0.0	----->	\$0.0		
DIRECT PROVINCIAL REVENUE (primary input)	\$0.0	----->	Included in Totals	----->	\$0.0
<b>TOTAL</b>	<b>\$8,333.9</b>	<b>\$685.1</b>	<b>\$1,192.9</b>	<b>\$464.6</b>	<b>\$1,074.8</b>

**PRIMARY INPUTS**

DIRECT EMPLOYMENT(included in households)	111.2
DIRECT GDP@FC	\$5,417.1
DIRECT FEDERAL REVENUE	\$0.0
DIRECT PROVINCIAL REVENUE	\$0.0
IMPORTS	\$0.0

## Appendix B - Survey Instruments



*Nova Scotia Harness Racing Industry  
Economic Impact Survey*

The purpose of this survey is to gather information on the direct expenditure patterns in the Nova Scotia Harness Racing Industry. The survey information will be kept confidential at the individual level - only aggregate data will be reported.

If you require additional information, please do not hesitate to contact us at:

Mr. Mike Foster  
President, Canmac Economics Limited  
*or*

Ms. Cindy Currie  
Data Analyst, Canmac Economics Limited  
495 Sackville Drive  
Lower Sackville, Nova Scotia B4C 2S1

*at*  
phone: (902)864-3838 or  
email: [canmac@ns.sympatico.ca](mailto:canmac@ns.sympatico.ca)

***Section 1 - Introduction***

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Occupation: \_\_\_\_\_

## Section 2 - Direct Expenses

For your most recent fiscal year please provide the total expenditures by type for harness horse breeding by major horse type.

### 2.1 STANDARD BRED FOALS

Wages	\$
Benefits	\$
UI	\$
Agents Fees	\$
Sales Preparation	\$
Sales Commissions	\$
Advertising	\$
Stud Fees	\$
Nominations	\$
Boarding	\$
Professional Services	\$
Vet Care	\$
Farrier	\$
Feed/Bedding	\$
Vaning	\$
Tack & Supplies	\$
Telephone	\$
Utilities	\$
Office Equipment	\$
Travel	\$
Fertilizer	\$
Gas & Oil	\$
Repairs	\$
Depreciation - Horse	\$
Depreciation - Machinery	\$
Automobile	\$
Insurance - Horse	\$
Insurance - Other	\$
Interest	\$
Licenses	\$
Sales Tax	\$
Property Tax	\$
Local Tax	\$
Registration	\$
Other ( <i>Specify</i> ) _____	\$
<b>Total</b>	\$

## 2.2 STANDARD BRED MARES AND STALLIONS

Wages	\$
Benefits	\$
UI	\$
Agents Fees	\$
Sales Preparation	\$
Sales Commissions	\$
Advertising	\$
Stud Fees	\$
Nominations	\$
Boarding	\$
Professional Services	\$
Vet Care	\$
Farrier	\$
Feed/Bedding	\$
Vaning	\$
Tack & Supplies	\$
Telephone	\$
Utilities	\$
Office Equipment	\$
Travel	\$
Fertilizer	\$
Gas & Oil	\$
Repairs	\$
Depreciation - Horse	\$
Depreciation - Machinery	\$
Automobile	\$
Insurance - Horse	\$
Insurance - Other	\$
Interest	\$
Licenses	\$
Sales Tax	\$
Property Tax	\$
Local Tax	\$
Registration	\$
Other ( <i>Specify</i> ) _____	\$
<b>Total</b>	\$

## 2.3 STANDARD BRED YEARLINGS AND NON-RACING 2 YEAR OLDS

Wages	\$
Benefits	\$
UI	\$
Agents Fees	\$
Sales Preparation	\$
Sales Commissions	\$
Advertising	\$
Stud Fees	\$
Nominations	\$
Boarding	\$
Professional Services	\$
Vet Care	\$
Farrier	\$
Feed/Bedding	\$
Vaning	\$
Tack & Supplies	\$
Telephone	\$
Utilities	\$
Office Equipment	\$
Travel	\$
Fertilizer	\$
Gas & Oil	\$
Repairs	\$
Depreciation - Horse	\$
Depreciation - Machinery	\$
Automobile	\$
Insurance - Horse	\$
Insurance - Other	\$
Interest	\$
Licenses	\$
Sales Tax	\$
Property Tax	\$
Local Tax	\$
Registration	\$
Other ( <i>Specify</i> ) _____	\$
<b>Total</b>	\$

## 2.4 RACING PHASE

Feed	\$
Vitamins	\$
Bedding	\$
Vet	\$
Training	\$
Groom	\$
Paddock Cost	\$
Equipment	\$
Transportation	\$
Shoeing	\$
Boarding	\$
Race Fees	\$
Stake Payments	\$
Legal	\$
Travel	\$
Misc.	\$
Interest	\$
Horse Insurance	\$
Communication	\$
Depreciation	\$
Liniments	\$
Jogger Rental	\$
Licenses	\$
Other ( <i>Specify</i> )	\$
Total	\$

**2.5 ALTERNATIVELY**, if it is not possible to provide a cost of production breakdown by horse type then please provide expenditures by type for your total harness racing horse population in the most recent fiscal year, as follows:

Wages	\$
Benefits	\$
UI	\$
Agents Fees	\$
Sales Preparation	\$
Sales Commissions	\$
Advertising	\$
Stud Fees	\$
Nominations	\$
Boarding	\$
Professional Services	\$
Vet Care	\$
Farrier	\$
Feed/Bedding	\$
Vaning	\$
Tack & Supplies	\$
Telephone	\$
Utilities	\$
Office Equipment	\$
Travel	\$
Fertilizer	\$
Gas & Oil	\$
Repairs	\$
Depreciation - Horse	\$
Depreciation - Machinery	\$
Automobile	\$
Insurance - Horse	\$
Insurance - Other	\$
Interest	\$
Licenses	\$
Sales Tax	\$
Property Tax	\$
Local Tax	\$
Registration	\$
Other ( <i>Specify</i> ) _____	\$
<b>Total</b>	\$



## Appendix C - Canadian Racetrack Distances

## Racetrack sizes across Canada

### Alberta

- Bedrock Training Centre -- 5/8 mile, South Edmonton, AB
- Grande Prairie -- 1/2 mile, Grande Prairie, AB
- Northlands Park -- 5/8 mile, Edmonton, AB

### British Columbia

- Fraser Downs -- 5/8 mile, Surrey, BC
- Sandown Park -- 5/8 mile, Sidney, BC

### New Brunswick

- Exhibition Park Raceway -- 1/2 mile, Saint John, NB
- Fredericton Raceway -- 1/2 mile, Fredericton, NB

### Newfoundland

- St. John's Racing & Entertainment Centre -- 1/2 mile, Goulds, NL

### Nova Scotia

- Inverness Raceway -- 1/2 mile, Inverness, NS
- Northside Downs -- 1/2 mile, North Sydney, NS
- Truro Raceway -- 1/2 mile, Truro, NS

### Ontario

- Clinton Raceway -- 1/2 mile, Clinton, ON
- Dresden Raceway -- 1/2 mile, Dresden, ON
- Flamboro Downs -- 1/2 mile, Dundas, ON
- Georgian Downs -- 5/8 mile, Innisfil, ON
- Grand River Raceway -- 1/2 mile, Elora, ON
- Hanover Raceway -- 1/2 mile, Hanover, ON
- Hiawatha Horse Park -- 5/8 mile, Sarnia, ON
- Kawartha Downs -- 5/8 mile, Fraserville, ON
- Mohawk Racetrack -- 7/8 mile, Campbellville, ON
- Quinte Exhibition & Raceway -- 1/2 mile, Belleville, ON
- Rideau-Carleton Raceway -- 5/8 mile, Gloucester, ON
- Sudbury Downs -- 1/2 mile, Sudbury, ON
- Western Fair Raceway -- 1/2 mile, London, ON
- Windsor Raceway -- 5/8 mile, Windsor, ON
- Woodbine Racetrack -- 7/8 mile, Rexdale, ON
- Woodstock Raceway -- 1/2 mile, Woodstock, ON

### Prince Edward Island

- Charlottetown Driving Park -- 1/2 mile, Charlottetown, PE
- Summerside Raceway -- 1/2 mile, Summerside, PE

### Quebec

- Hippodrome Gatineau -- 1/2 mile, (formerly Hippodrome d'Aylmer), Aylmer, QC
- Hippodrome de Montreal -- 7/8 mile, Montreal, QC
- Sulky Quebec -- 1/2 mile, (formerly Hippodrome de Quebec), Quebec, QC
- Sulky Trois Rivieres -- 1/2 mile, (formerly Hippodrome Trois Rivieres), Trois Rivieres, QC

**Source: *Standardbred Canada***

## Glossary of Terms

### Cold Blooded Horses

Muscular and heavy draft horses are known as "cold bloods," as they have been bred not only for strength, but also to have the calm, steady, patient temperament needed to pull a plow or a heavy carriage full of people. They are sometimes nicknamed "gentle giants" because of their placid dispositions. The "cold-blooded" group includes many pony breeds. *Source: Wikipedia*

### Farrier

A farrier is a specialist in equine hoof care, including the trimming and balancing of a horse's hoof so as to fit shoes to the horse's foot. A farrier couples a subset of the blacksmith's skills (fabricating, adapting, and adjusting metal shoes) with a subset of veterinary medicine (knowledge of the anatomy and physiology of the lower limb) to address the care of the horse's feet. *Source: Wikipedia*

### Gait

Horse gaits are the different ways in which a horse can move, either naturally or as a result of specialized training by humans. *Source: Wikipedia*

### Hopples and Hobbles

Hopples or Hobbles (used interchangeably) are straps which connect the front and rear legs on the same side of a Pacer. *Source: Harnesslink Web site*

### Simulcast

Short for simultaneous broadcast, a simulcast refers to a program or event that is broadcast at the same time over one or more mediums. The concept of the simulcast goes back to the early days of television, when a number of news programs were carried at the same time by network radio outlets and television stations. There were also incidences where simultaneous broadcasts of some entertainment programs took place on radio and television, especially during the late 1940's and early 1950's.

### Standard Bred Horse

Standardbreds are a breed of horse best known for their ability to race in harness at a trot or pace instead of under saddle at a gallop. Developed in North America, the breed is now recognized worldwide for its harness racing ability. They are solid, well-built horses with good dispositions that are also used under saddle for a variety of equestrian activities, particularly in the Midwest and eastern United States. *Source: Wikipedia*

### Standard Time

Every Standardbred had to be able to trot a mile within the standard 2 minutes and 30 second time. Today, many Standardbreds race much faster than this original standard, with several pacing the mile within 1 minute, 50 seconds. *Source: Horsesmarts.net and Wikipedia*

### Stud Book

*A breed registry, also known as a stud book or register, in animal husbandry and the hobby of animal fancy, is an official list of animals within a specific breed whose parents are known. Animals are usually registered by their breeders when they are still young. The terms "stud book" and "register" are also used to refer to lists of male animals "standing at stud", that is, those animals actively breeding, as opposed to every known specimen of that breed. The stud book was formed in 1939, with the formation of the United States Trotting Horse Association. Source: Wikipedia*

### Vaning

Transporting of horses. Source: [www.equestrianlog.com](http://www.equestrianlog.com)