



8 July 2009

會長
President
何俊華
Ho Kiu-wah, Wu

The Hon Ip Kwok-him
Chairman
Home Affairs Panel

副會長
Vice Presidents
區國雄
Yau Kwong-cho
區國雄
Membership Committee

**Re: Hong Kong Racehorse Owners Association's submission on
Hong Kong Jockey Club's proposals**

區國雄
David S. H. Ho
區國雄
Membership Committee

Dear Sir/Madam,

區國雄
Ho Kwong-cho
賽馬委員會
Racing Committee

The Hong Kong Racehorse Owners Association Limited (HKROA) was established in 1978 with the main objective of enhancing the interests of racehorse Owners in Hong Kong on all aspects of horse ownership including the buying, selling, racing and breeding of horse. At present, we have over 650 members, or over 60% of racehorse owners in Hong Kong.

秘書 (行政事務)
Secretary - Admin.
李美芬
Lee Mei-fan

Reviewing the development of horseracing industry over the past decades, HKROA believes that the existing betting duty arrangements should be modernised to cope with the changing business environment. We have expressed similar views in our submission to Legco a few years ago on the *Betting Duty (Amendment) Bill 2006*.

秘書 (賽馬事務)
Secretary - Racing
陳卓榮
Chan Cheung-ong

The abovementioned bill was passed eventually by legislators in July 2006 but some crucial changes in the original proposal failed to get approval from Government and Legco. For instance, the proposals back in 2006 to add five extra race meetings per year and a few more simulcasts of overseas races on non race days were put on hold. These proposals were part of an overall plan to arrest the decline in racing turnover and revenue in Hong Kong.

司庫
Treasurer
馬子明
Stephen K.O. Ma
財務委員會
Finance Committee

The implementation of an incomplete plan together with the increasingly aggressive competition from legal and illegal gambling in the last three years have eventually brought about the first ever operating loss for the Hong Kong Jockey Club (HKJC) in its horse racing business.

理事
Council Members

何俊華
Ho Kiu-wah

區國雄
Yau Kwong-cho

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Yau Kwong-cho

A recent study also revealed that Hong Kong residents spent HK\$18-25 billion in 2007/08 in Macau casinos, or nearly five times that of a decade ago. Other upcoming casinos in Asian regions include those be built in Taiwan and Singapore.

These developments alone are worrying not to mention the devastating impact brought about by the financial tsunami.

Taking into account all the circumstances, we wish to urge the Government and members of the Legislative Council to take steps to complete the betting duty reform which were proposed back in 2006 to ensure that local racing can continue to be sustainable.

香港馬主協會有限公司 | The Hong Kong Racehorse Owners Association Ltd



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伍文耀
Wu Wen-yao

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公眾活動委員會
Social Committee

李國祥
李國祥主席
賽馬委員會
Racing Committee

秘書 (行政事務)
Secretary - Admin.

馬善祥
Ma Shan-cheung

秘書 (賽馬事務)
Secretary - Racing

梁卓宇
Leung Cheuk-woo

司庫
Treasurer

馮錦全
馮錦全主席
財務委員會
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理事
Council Members

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李國祥主席

譚國治
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Moreover, we would like to call upon the Government to look into the activities of casino junkets which are becoming extremely widespread and aggressive in Hong Kong. Although some critics suggested that those who engaged in horse race betting would not have much interests to go gaming in Macau, these junkets have in fact aimed at luring away high-value bettors from Hong Kong to bet in Macau, and members of our Association are amongst their main targets. In fact, when Hong Kong racing season is in its summer recess, some horse owners were approached by "representatives" from various casinos in Macau, who would typically provide attractively-priced holiday package to lure us to go over to Macau to gamble. This is clear evidence of the prevalence of the aggressive marketing of casino operations from Macau. Our Association has concerns about the legitimacy of these activities as they amount to explicit marketing of gambling.

As racehorse Owners, we have invested in excess of 1 billion HK dollars for over 1,000 horses in Hong Kong, but the opportunities in starting these horses are very limited to approximately once per month. For each race meeting, at approximate 70% of our horses get the chance to run and the remaining 30% will be balloted out but Owners still have to pay same training fee without getting any prize money. The additional five race meetings would definitely help to ease this traffic jam situation and give Owners a fairer chance of getting their investment return. Without continuous support from Owners, Hong Kong racing industry will decline and hence, tax revenue to government will decline.

We, racehorse Owners, always view racing as a sporting activity. In fact, the vast majority of Owners who attend races are not there just for the sake of betting. Many of us view it as an occasion for social gathering and business networking with our business partners, friends or families. We therefore do not agree with the view that the five additional racedays will result in the promotion of gambling, or will have adverse impact on our younger generation. We would also like to let you know that all advanced racing jurisdictions around the world such as UK, Ireland, Australia, New Zealand, US, Canada and France don't have summer breaks or winter breaks in racing.

Our Association would humbly request the Home Affairs Panel to take into account our views in your deliberation of the Jockey Club's proposals.

Yours truly,

Paul Wrobel
Vice President

C.C.: The Hon Tanya Chan, Deputy Chairman, Home Affairs Panel
Ms. Betty Fong, Secretariat, Lego Home Affairs Panel

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