

LEGISLATIVE COUNCIL BRIEF

Gambling Ordinance (Cap. 148)

GAMBLING (AMENDMENT) REGULATION 2000

INTRODUCTION

Section 29A of the Interpretation and General Clauses Ordinance (Cap. 1) empowers the Financial Secretary (which means also the Secretary for the Treasury by virtue of section 3 of Cap. 1) to vary fees which have previously been fixed by subsidiary legislation made by the Chief Executive in Council.

2. In exercise of this power, the Secretary for the Treasury has made the Amendment Regulation at *Annex A* to increase the fees specified in the Gambling Regulations made pursuant to the Gambling Ordinance.

BACKGROUND AND ARGUMENT

3. Under the Gambling Ordinance, the Commissioner for Television and Entertainment Licensing issues licences for lotteries, games of tombola, games of amusement with prizes, trade promotion competitions and premises for the playing therein of games in which mahjong or tin kau tiles are used. The licence fees payable are specified in the Gambling Regulations.

4. It is Government policy that certain fees should in general be set at levels sufficient to recover the full cost of providing the services. The licence fees were last revised in December 1997 based on the full cost at 1997-98 prices. Most Government fees and charges have been frozen since February 1998 as an exceptional measure to ease the burden on the

community at a time of economic setback. The Financial Secretary decided in June 1999 to continue the fee revision moratorium until the year-on-year quarterly GDP growth rate turned firmly positive.

5. In view of the current state of economic recovery, the Administration consulted the LegCo Panel on Financial Affairs on 13 April 2000 on proposals to revise various fees that would not directly affect people's livelihood or general business activities. Taking into account the diverse nature of fees involved, Members suggested and the LegCo House Committee agreed on 14 April 2000 that the Administration should consult the relevant subject LegCo Panels on whether and if so how the fees under their respective purviews should be adjusted.

6. A costing review of the issue of the licences mentioned in paragraph 3 above was conducted in May 2000. *Annex B* presents the cost computations. We propose to increase the fees for Lottery, Tombola, Amusements with Prizes and Trade Promotion Competition Licences by 0.3% to 5.3% in order to recover the full cost of providing the services at 2000-01 prices. Details of the existing and the proposed fees are at *Annex C*. The LegCo Panel on Home Affairs was consulted on 2 June 2000 and did not raise any objection to the proposed fee increases. For the Mahjong/Tin Kau Licence fee, we propose no fee increase as full cost recovery has already been achieved.

THE REGULATION

7. The Amendment Regulation revises the fees as set out in *Annex C*. We propose that the new fees should take effect from 22 December 2000.

BINDING EFFECT

8. The Amendment Regulation does not affect the current binding effect of the Gambling Ordinance.

EFFICIENCY INITIATIVES

9. The Television and Entertainment Licensing Authority (the Authority) has regularly reviewed the licensing procedures to minimize the resources required and hence to reduce costs. In 2000, the Authority pledges to shorten the processing time for a variety of services. The processing time for issue of a Trade Promotion Competition Licence and a Lottery Licence has been shortened from 3 weeks and 2 weeks to 7 and 10 working days respectively, despite the fact that the numbers of applications have increased over the past 5 years by 14% and 5% respectively for these two licences. In addition, the processing time for issue of a Tombola Licence and an Amusements with Prizes Licence has also been shortened from 8 weeks to 6 weeks and 4 weeks respectively. Additional workload has been absorbed as a result of streamlined procedures and within the existing staff resources.

FINANCIAL AND STAFFING IMPLICATIONS

10. Additional revenue arising from the proposed fee increases is about \$33,000 per annum. There are no staffing implications.

ECONOMIC IMPLICATIONS

11. The proposed fee increases will have minimal impact on the operating costs of those engaged in the trade. Organisations conducting events for charitable causes will continue to qualify for a waiver/refund/reduction of the fees under section 6 of the Gambling Regulations.

PUBLICITY

12. The Amendment Regulation will be published in the Gazette on 10 November 2000. A press release will be issued on the same day.

ENQUIRY

13. For enquiries on this brief, please contact Mr Vic C. H. YAU, Assistant Secretary for Home Affairs at 2835 1365.

Home Affairs Bureau

November 2000

GAMBLING (AMENDMENT) REGULATION 2000

(Made under section 28 of the Gambling Ordinance
(Cap. 148) and section 29A of the Interpretation
and General Clauses Ordinance (Cap. 1))

1. Commencement

This Regulation shall come into operation on 22 December 2000.

2. First Schedule amended

The First Schedule to the Gambling Regulations (Cap. 148 sub. leg.) is amended -

- (a) in Note 4 to Form 1 by repealing "\$3,135" and substituting "\$3,165";
- (b) in Note 4 to Form 2 by repealing "\$12,840" and substituting "\$13,100";
- (c) in Note 4 to Form 3 by repealing "\$3,040" and substituting "\$3,200";
- (d) in Note 4 to Form 4 by repealing "\$1,585" and substituting "\$1,590".

3. Fees for grant of licences

The Third Schedule is amended by repealing "\$3,135", "\$12,840", "\$3,040" and "\$1,585" and substituting "\$3,165", "\$13,100", "\$3,200" and "\$1,590" respectively.

Secretary for the Treasury

6 Nov 2000

Explanatory Note

This Regulation increases the fees payable for granting or renewing Lottery, Tombola, Amusements with prizes and Trade promotion competition licences under the Gambling Ordinance (Cap. 148).

COST COMPUTATION

Television and Entertainment Licensing Authority

Licence fees payable under the Gambling Regulations

Cost at 2000-01 Prices

	<u>Lottery Licence</u> \$	<u>Tombola Licence</u> \$	<u>Amusements with Prizes Licence</u> \$	<u>Trade Promotion Competition Licence</u> \$	<u>Mahjong / Tin Kau Licence</u> \$
Staff Costs	254,266	139,665	257,305	1,513,370	1,536,707
Departmental Expenses	18,541	9,435	19,564	114,791	87,584
Accommodation Costs	43,472	21,917	45,970	270,918	201,537
Cost of Services Provided by Other Departments	46,067	2,461	43,250	40,420	54,695
Central Administrative Overhead	17,640	9,690	17,851	104,994	106,613
Total Cost	<u>379,986</u>	<u>183,168</u>	<u>\$383,940</u>	<u>2,044,493</u>	<u>1,987,136</u>
Estimated number of cases for 2000-01	120	14	120	1,285	1,735*
Unit cost at 2000-01 prices (\$)	3,167	13,083	3,200	1,591	1,145
Existing fee with effect from 13.12.1997 (\$)	3,135	12,840	3,040	1,585	1,145
Proposed fee with effect from 22.12.2000 (\$)	3,165	13,100	3,200	1,590	1,145

* Estimated number of tables for 2000-01

Revision of fees payable under the Gambling Regulations

Item	Description of Fee	Existing Fee (\$)	Proposed Fee (\$)
1.	Lottery Licence	3,135	3,165
2.	Tombola Licence	12,840	13,100
3.	Amusements with Prizes Licence	3,040	3,200
4.	Trade Promotion Competition Licence	1,585	1,590