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Panel on Home Affairs

**Background brief prepared by the Legislative Council Secretariat
for the meeting on 20 March 2009**

Measures to address gambling-related problems

Purpose

This paper provides background information on the measures to address gambling-related problems and gives an account of past discussions held by Legislative Council (LegCo) Members on the subject.

Background

2. The Administration's policy is to restrict gambling activities to a limited number of authorized and regulated outlets only. Under the Gambling Ordinance (Cap. 148), all gambling activities are illegal except those expressly authorized by the Government under the Betting Duty Ordinance (Cap. 108) (i.e. authorized horse racing, authorized football betting and the Mark Six Lottery), those licensed by the Commissioner for Television and Entertainment Licensing (e.g. mahjong parlours) and those exempted under section 3 of the Gambling Ordinance (mainly social gambling). The Betting Duty Ordinance was amended in 2003 to authorize football betting and in 2006 to reform the betting duty system for horse race betting.

Amendments to the Betting Duty Ordinance in 2003 and 2006

3. The Administration informed the Panel on Home Affairs (the Panel) of its decision to authorize and regulate football betting in Hong Kong by way of licensing the Hong Kong Jockey Club (HKJC) to operate football betting in Hong Kong for an initial period of five years on 26 November 2002, and briefed the Panel on the major provisions of the Betting Duty (Amendment) Bill 2003 at its meeting on 14 March 2003. According to the Administration, the proposal was to combat illegal football gambling activities by diverting the

demand for football betting into authorized channel. A Bills Committee was formed on 11 April 2003 to study the Bill and to discuss with HKJC on the licensing conditions and preparatory work for the conduct of football betting. The Bill was passed by LegCo on 10 July 2003.

4. The Administration briefed the Panel on the proposed reforms to the betting duty system for horse race betting at its meetings on 13 May and 16 June 2005, and introduced to LegCo the Betting Duty (Amendment) Bill 2006 in April 2006 for (a) enhancing the effectiveness of authorised horse race betting in combating illegal gambling and maintaining the betting duty revenue at a steady level; and (b) rationalising the regulatory regime for conduct of betting on horse races so as to bring it broadly in line with the authorized football betting and lotteries under the Betting Duty Ordinance. A Bills Committee was formed on 28 April 2006 to study the Bill, which was subsequently passed by LegCo on 12 July 2006.

Measures to address gambling-related problems

5. Major measures taken by the Administration to address gambling-related problems pursuant to the enactment of the Betting Duty (Amendment) Ordinance 2003 and Betting Duty (Amendment) Ordinance 2006 are summarized in paragraphs 6 to 10.

The Ping Wo Fund

6. In September 2003, the Administration set up the Ping Wo Fund (the Fund) to finance preventive and remedial measures to address the gambling-related problems, which included (a) counselling treatment and other remedial or support services for problem and pathological gamblers and those affected by them; (b) public education and other measures to prevent or alleviate problems relating to gambling; and (c) research and studies into problems and issues relating to gambling. The Ping Wo Fund Advisory Committee was also established to give advice on the use and application of the Fund.

Dedicated counselling and treatment centres

7. Four pilot dedicated counselling and treatment centres for problem and pathological gamblers, financed by the Fund, have been set up and are being operated by Caritas, the Tung Wah Group of Hospitals (TWGHs), Zion Social Service Limited and the Hong Kong Federation of Youth Groups respectively. The first two centres have commenced service since October 2003 and the latter two since February 2007. The four centres provide specialized counselling and treatment services for problem and pathological gamblers and their family members, facilitate the development of the best practices for

remedial services and screening of problem and pathological gamblers in Hong Kong, and collect data and statistics for enhancing understanding about the behaviour and risk factors of problem and pathological gambling. The service contracts for the four centres will end on 31 December 2009.

Public education

8. Since 2003, the Administration has launched education campaigns focusing on the adverse impact of excessive or illegal gambling on the community, especially on young people below the age of 18. It has also commissioned various non-governmental organizations to launch education programmes which target the young people, school students, teachers, parents and district personnels on gambling-related problems. Publicity programmes have been arranged to show the audience the adverse impact that could be caused by gambling on one's health, family, social status and finance.

Research and studies

9. In 2004, the Home Affairs Bureau (HAB) commissioned the Hong Kong Polytechnic University (HKPU) to assess the effectiveness of the two counselling and treatment centres operated by Caritas and TWGHs. The consultancy report recommended, among other things, the continued operation of the two service centres and the setting up of two small community-based treatment centres. For determining the long-term provision for combating gambling-related problems, HAB further commissioned HKPU in 2007 to conduct a second phase consultancy study on Hong Kong people's participation in gambling activities and their gambling behaviours, and the effectiveness of the existing measures in addressing gambling-related problems.

Codes of Practice for the Conduct of Football Betting and Lotteries

10. In February 2004, the Administration issued the Codes of Practice for the Conduct of Football Betting and Lotteries to give guidance on how the conditions of the licence of football betting and licence of lotteries may be complied with. These codes were imposed to regulate the licensee so as to minimize the negative impact of gambling on the public, especially young people. For example, in the prevention of underage betting, the codes of practice stipulate that the licensee should display signs of reasonable size and clarity in its premises to indicate that juveniles are not allowed to enter such premises and place bets with the licensee. The licensee should also adopt appropriate and practicable measures aiming at preventing juveniles from placing bets including the checking of the identification of any person whom the licensee has reason to believe might be a juvenile.

Past discussions

11. Major views and concerns expressed by members at the meetings of the Panel and relevant Bills Committees in relation to measures to address gambling-related problems are summarized in paragraphs 12 to 19.

Pilot dedicated counselling and treatment centres

12. Some members queried whether the two pilot counselling and treatment centres operated by Caritas and TWGHs had adequate manpower to meet the service demand. These members considered that the Administration should review the adequacy of the annual funding of \$3.5 million to each centre, and explore other sources of funding for injection into the Ping Wo Fund if the contribution from HKJC was inadequate to cope with the service demand.

13. The Administration responded that in the extension of the service contracts of the two centres to 31 December 2009, the Ping Wo Fund Advisory Committee had recommended that pending the completion of the second phase consultancy study conducted by HKPU, the service scale and funding level of the two centres should remain unchanged. Regarding funding support for the Ping Wo Fund, the Administration advised that HKJC had undertaken to contribute \$15 million each year to the Fund from July 2008 to June 2013, and in case of serious shortfall, the Administration would raise fund from other sources. Moreover, the need to increase HKJC's contributions to the Fund would be considered when the licence for authorised football betting was due for renewal.

Codes of practice for the conduct of football betting and lotteries

14. A member expressed disappointment that the two codes of practice had not specified the match types and betting options. He considered that without such restrictions, the licensed operator for football betting would have a free hand to offer as many betting options as possible in order to compete with illegal operators, and this would encourage participation in gambling activities. Another member commented that the codes of practice failed to regulate promotion activities for football betting which were not organized by the licensees, for example, the increased coverage on betting information instead of football news in the press.

15. The Administration explained that the licensing conditions for authorized football betting and the code of practice should seek to strike a balance between the need to ensure the competitiveness of authorized football betting vis-à-vis its illegal counterparts, and to minimize the adverse impact of gambling on the community, in particular underage betting. The attempt to specify details such as bet types and match types in the legislation or in the licensing conditions would seriously undermine the licensee's competitiveness

and the effectiveness of authorized football betting to combat illegal gambling activities. The Administration further advised that the Betting and Lotteries Commission had conveyed to the media that football as a sport and football betting should be handled separately.

Measures to address the negative impact of gambling

16. In the discussion of the Administration's proposal for the authorization of football betting, some members expressed concern that juveniles would easily be attracted to football betting as football was a popular sport among young people. Other members considered that gambling-related problems had all along existed in Hong Kong and authorization of football betting should not be taken as the cause to these problems. These members considered that the most important issue was how the Administration would implement measures to address these problems, in particular underage betting. They also urged the Administration to ensure adequate support for counselling and treatment services to problem and pathological gamblers.

17. In the deliberation of the reform of the betting duty system on horse race betting, some members considered that the Administration's gambling policy should never be to compete with the illegal and offshore bookmakers for a larger share of the gambling market but, rather, to combat illegal gambling by law enforcement and not to encourage people to gamble. These members expressed concern that the proposed reform would give rise to a substantial increase in public participation in horse racing. Deputations attending the special Panel meeting to discuss the issue suggested that the Administration should put in place adequate preventive and remedial measures for the youth alongside the introduction of any reforms to the betting duty system; study the social impact of the authorization of soccer betting, and allocate additional resources to deal with gambling-related problems and enhance publicity on the adverse effect of gambling.

18. In response to the concerns raised by members and deputation, the Administration has introduced various measures to combat gambling-related problems since 2003, as summarized in paragraphs 6 to 10. The Administration also advised that while the number of gamblers might increase after the authorization of football betting, according to the experience in other countries, it did not necessarily lead to an increase in pathological gamblers. As regards the reform to the betting duty system on horse racing, the Administration responded that the proposed reform should only give rise to a slight increase in public participation in horse racing as the people targeted were those who were all along gamblers but had been placing bets with illegal bookmakers.

Regulating advertisements on horse racing

19. Some members considered that the prohibited hours for advertising the conduct of betting on horse races on Saturdays and Sundays (i.e. between 4:30 pm and 10:30 pm, except during broadcast of horse races) should be more stringent as children and youngsters mostly watched television on those days. To address members' concern, the Administration agreed to extend such hours to between 9:30 am and 10:30 pm on Saturdays and Sundays, except during broadcast of horse races.

Recent Development

20. In November 2008, the Complaints Division of the LegCo Secretariat referred to the Panel questions raised by Duty Roster Members' regarding the funding mechanism of the Ping Wo Fund, the education programmes on the negative impact of gambling for adult gamblers and the appointment mechanism of the Betting and Lotteries Commission. The relevant paper was issued to members vide LC Paper No. CB(2)597/08-09 on 6 January 2009. At the LegCo meetings on 14 January 2009 and 11 February 2009, Hon WONG Sing-chi respectively raised an oral and a written question about the effectiveness of the measures taken by the Administration to address gambling-related problems and the funding of the counselling and treatment centres for problem and pathological gamblers under the Ping Wo Fund.

21. The Administration's responses to the questions raised by members are summarized as follows -

- (a) publicity and public education programmes funded by the Ping Wo Fund have been launched to deter gambling and prevent problems caused by excessive gambling, and the licensing conditions imposed on the licensees should minimize the negative impact of gambling;
- (b) Section 6D of the Betting Duty Ordinance has stipulated the appointment of members to the Betting and Lotteries Committee, which should include not less than eight persons who are not public officers and among whom should include representatives from the education, religion and social work sector; and
- (c) the Ping Wo Fund Advisory Committee has been studying HKPU's latest consultancy report on gambling-related issues, which includes an assessment on the effectiveness of the Government's measures to combat these problems. Based on the Committee's recommendations, SHA would consider the long-term provision of counselling, treatment, and other support

services for problem and pathological gamblers in a comprehensive manner and report to the Panel at its regular meeting scheduled for 20 March 2009.

Relevant papers

22. A list of relevant papers with their hyperlinks at the LegCo website is in the **Appendix**.

Council Business Division 2
Legislative Council Secretariat
17 March 2009

Panel on Home Affairs

Relevant documents on measures to address gambling-related problems

Meeting	Date of meeting	Question/Motion/ Paper	LC Paper No.
Panel on Home Affairs	26.11.02	Legislative Council Brief on "Authorisation of soccer betting : The way forward" issued by the Home Affairs Bureau	File Ref : HAB/CR/1/17/109 http://www.legco.gov.hk/yr02-03/english/panels/ha/papers/hab_cr_1_17_109_e.pdf
		Consultation report on "Gambling Review : A Consultation Paper" provided by the Administration	CB(2)1437/01-02(01) http://www.legco.gov.hk/yr01-02/english/panels/ha/papers/ha0412cb2-1437-1e.pdf
		Legislative Council Brief on "Gambling Review : A Consultation Paper" issued by the Home Affairs Bureau	File Ref : S/F(2) to HAB CR 1/17/93 Pt. 2 http://www.legco.gov.hk/yr00-01/english/panels/ha/papers/lcbrief-e-gmb.pdf
		Minutes of meeting	CB(2)805/02-03 http://www.legco.gov.hk/yr02-03/english/panels/ha/minutes/ha021126.pdf
	14.3.03	Discussion paper on "Authorization of Football Betting Duty (Amendment) Bill" provided by the Administration	CB(2)1419/02-03(02) http://www.legco.gov.hk/yr02-03/english/panels/ha/papers/ha0314cb2-1419-2e.pdf
		Minutes of meeting of the Panel on Home Affairs on 10 January 2003	CB(2)1118/02-03 http://www.legco.gov.hk/yr02-03/english/panels/ha/minutes/ha030110.pdf

Meeting	Date of meeting	Question/Motion/ Paper	LC Paper No.
		Minutes of meeting	CB(2)1676/02-03 http://www.legco.gov.hk/yr02-03/english/panels/ha/minutes/ha030314.pdf
House Committee	27.6.03	Report of the Bills Committee on Betting Duty (Amendment) Bill 2003	CB(2)2657/02-03 http://www.legco.gov.hk/yr02-03/english/hc/papers/hc0627cb2-2657e.pdf
Panel on Home Affairs	12.12.03	Discussion paper on "Implementation of measures to address gambling-related problems"	CB(2)633/03-04(01) http://www.legco.gov.hk/yr03-04/english/panels/ha/papers/ha1212cb2-633-1-e.pdf
		Minutes of meeting	CB(2)913/03-04 http://www.legco.gov.hk/yr03-04/english/panels/ha/minutes/ha031212.pdf
	13.2.04	Discussion paper on "Codes of Practice for the Conduct of Football Betting and Lotteries"	CB(2)1263/03-04(02) http://www.legco.gov.hk/yr03-04/english/panels/ha/papers/ha0213cb2-1263-02e.pdf
		Minutes of meeting	CB(2)1746/03-04 http://www.legco.gov.hk/yr03-04/english/panels/ha/minutes/ha040213.pdf
	13.5.05	Administration's paper entitled "Proposed Reforms to the Betting Duty System on Horse Race Betting"	CB(2)1520/04-05(02) http://www.legco.gov.hk/yr04-05/english/panels/ha/papers/ha0513cb2-1520-2e.pdf
		Minutes of meeting	CB(2)1917/04-05 http://www.legco.gov.hk/yr04-05/english/panels/ha/minutes/ha050513.pdf

Meeting	Date of meeting	Question/Motion/ Paper	LC Paper No.
	16.6.05	Administration's paper entitled "Supplementary information on reform to betting duty system of horse race betting"	CB(2)1880/04-05(01) http://www.legco.gov.hk/yr04-05/english/panels/ha/papers/ha0513cb2-1880-1e.pdf
		The Administration's response to the questions on "Proposed reforms to betting duty system on horse race betting" raised by deputations and members	CB(2)2674/04-05(02) http://www.legco.gov.hk/yr04-05/english/panels/ha/papers/ha0616cb2-2674-2e.pdf
		Minutes of meeting	CB(2)68/05-06 http://www.legco.gov.hk/yr04-05/english/panels/ha/minutes/ha050616.pdf
House Committee	23.6.06	Report of the Bills Committee on Betting Duty (Amendment) Bill 2006	CB(2)2483/05-06 http://www.legco.gov.hk/yr05-06/english/hc/papers/hc0623cb2-2483-e.pdf
Council meeting	14.1.09	Hon WONG Sing-chi raised an oral question on "Gambling policy" and the Administration's reply	http://www.info.gov.hk/gia/general/200901/14/P200901140164.htm
	11.2.09	Hon WONG Sing-chi raised a written question on "Counselling and treatment services for problem and pathological gamblers" and the Administration's reply	http://www.info.gov.hk/gia/general/200902/11/P200902110168.htm