

Paper for the Bills Committee

Betting Duty (Amendment) Bill 2003

Measures to address gambling-related problems

Purpose

This paper sets out the measures to address gambling-related problems which the Government is planning to implement, using the dedicated fund set up for that purpose.

Background

2. On 26 November 2002, when we announced the Government's decision to authorize and regulate football betting in Hong Kong, we made a commitment that the Government would implement measures to address problems relating to gambling.

Dedicated Fund

3. We plan to set up a dedicated fund for financing the following activities:

- a) research and studies on gambling-related issues and problems;
- b) public education and other measures to prevent gambling-related problems; and
- c) counselling and treatment as well as other remedial services for problem and pathological gamblers, and those affected by them.

4. The use and application of the above fund would be determined by the Secretary for Home Affairs (SHA). A committee would be set up to advise SHA on the management and use of the fund.

5. As regards financial arrangements, we have reached an agreement with the Hong Kong Jockey Club (HKJC), whereby the latter would contribute to the fund in the following manner:

- a) \$24 million for the first two years of its football betting licence period; and
- b) \$12-\$15 million each year from the third to the fifth year of its football betting licence period.

The fund should also be able to accept public donations designated for the purposes of the fund.

6. The funding would be used to finance the measures and activities within the ambit of the fund, as well as to cover the expenses necessarily incurred in managing and administering the fund. We would review the financial arrangements for the fund as and when we proceed with implementing the measures.

7. Practices in overseas jurisdictions regarding funding for measures to address gambling-related problems vary from one place to another. They include mainly voluntary contributions from licensed gaming providers, specified percentage shares from tax revenue on authorized betting activities, and special levies on income from licensed gaming providers. A summary based on the latest available information is at the *Annex*.

Prevalence of gambling-related problems

8. There is currently limited information relating to problem gambling in Hong Kong. In mid-2001, we commissioned the Hong Kong Polytechnic University to conduct a comprehensive study on Hong Kong people's participation in gambling activities. This study (the "PolyU study"), which was released in September 2001, is the first of its kind in Hong Kong.

9. This survey was conducted on the basis of a random sample of 2,004 Hong Kong inhabitants aged 15-64, a sample of 2,000 students aged under 18, and a qualitative study of 20 pathological gamblers aged 24-57. The key findings are as follows:

- Around 78% of the adult respondents participated in at least one of the 13 gambling activities included in the survey, with the three most popular forms being Mark Six (64.2%), social gambling (45.9%) and horse racing (30.4%).
- 1.85% of the population aged 15-64 (estimated to be around 90,000 persons) in Hong Kong could be classified as “probable pathological gamblers”, on the basis of the concept of pathological gambling published in *The Diagnostic and Statistical Manual of Mental Disorder* (“DSM-IV”, the American Psychiatric Association, 1994). The definition includes 10 diagnostic criteria that represent three dimensions —damage or disruption, loss of control, and dependence. This 1.85% represents those respondents who exhibited 5 or more of the 10 diagnostic criteria.
- In addition, 4% of the population (estimated to be around 200,000 persons) who exhibited a score of 3 or 4 could be categorized as “problem gamblers”.
- About half (48.6%) of the “probable pathological gamblers” alleged that they normally experienced gambling problems when they participated in “betting on local horse racing” and 27% cited “social gambling” as the form of gambling with which they normally experienced problems.
- Among the gambling population, a greater proportion of the “probable problem gamblers” were male, the less educated (Secondary 3 or below), and having a personal monthly income of \$10,000 or above.
- Using the same DSM-IV method, the estimated prevalence rate of probable pathological gambling among the underage population was 2.6% (estimated to be around 12,000). The underage population was more actively involved in sports gambling and Internet betting, as compared with the general population.
- A higher proportion of pathological gamblers picked up gambling skills from their parents, relatives or neighbours at an early age. Most of them had been involved in social gambling for a considerable period of time before their gambling behaviour degenerated into a pathological state.
- The adverse effects of pathological gambling included heavy debts and bankruptcy, serious relationship problems, disruption in work,

depression and mental health problems facing both the gamblers and their spouses and family members.

- Most of the pathological gamblers and their family members in the qualitative study admitted that they needed help or treatment, but were not aware of any treatment or counselling services from government or non-governmental organizations.

Programme of Measures

10. For the first two years of the programme, we plan to implement a series of preventive and remedial measures. The major details are set out in the following paragraphs.

Research and studies on gambling-related issues and problems

11. We plan to commission academic institutes to conduct research and studies on gambling related issues, which mainly include the following—

- a) tracking surveys on the impact of gambling participation, and prevalence of problem and pathological gambling in Hong Kong; and
- b) the effectiveness of different types of screening methodology as well as counselling and treatment services for problem / pathological gamblers and their family members.

On (a), we plan to start conducting the survey on the basis of the results of the PolyU Study by the end of 2003. On (b), we plan to commission an academic institute to monitor and evaluate the effectiveness of two pilot dedicated counselling and treatment centres for problem and pathological gamblers (see paragraphs 19-24 below) with a view to conducting this study.

Public education and other measures to prevent gambling-related problems

12. Preventive education comprises measures targetting young people, school students, teachers and parents, as well as measures directed towards

the general public.

Education programme targetting young people

13. We would launch an education programme targetting young people, school students, teachers and parents on gambling-related issues. The primary objectives of the programme are—

- a) to enhance the understanding of young people, school students, teachers and parents of gambling-related problems, including the nature, inherent risks, and potential adverse consequences of gambling-related problems on individuals, families and the society;
- b) to strengthen students' and youngsters' ability to exercise self-control, so as to prevent themselves from becoming addicted to, developing compulsive or pathological behaviour in any activity (including gambling); and
- c) to increase awareness of problem and pathological gambling (as opposed to social gambling), including symptoms and warning signs, the associated personality traits, behavioural and risk factors as well as when and how to seek help in case of need.

14. The education programme would include the following:

- a) a dedicated education website on gambling-related information and education with on-line activities aimed at disseminating information and stimulating young people and students' attention to the subject of gambling and its inherent risks. It should also contain major reference materials on problem and pathological gambling;
- b) activities to be organized in collaboration with schools, interested educational and youth institutions, the non-governmental organizations (NGOs) selected to provide counselling and treatment services at the two pilot dedicated service centres (see paragraphs 19-24 below) and media partners. Such activities could include seminars and workshops, learning projects, debating competitions, etc.; and

- c) development of a learning kit/package on gambling-related education for distribution to schools.

15. We would shortly be commissioning Hong Kong Education City Limited(Hkedcity) —a Government’s wholly-owned educational institution—to take charge of the co-ordination and organization of this education programme, initially as a two-year project. Hkedcity, which was established as a limited company with a set-up capital from the Education and Manpower Bureau in May 2002, operates a large-scale, comprehensive education resources and services centre mainly on a website. It has an extensive network covering all primary and secondary school students, teachers and parents in Hong Kong. We decide to work in partnership with Hkedcity, in order to capitalize on its corporate objective of encouraging and facilitating life-long learning in a stimulating and interactive mode, as well as its extensive network in the field of education.

16. The dedicated gambling-related website would be launched around October 2003 and the series of activities would be rolled out successively as from the end of this year.

Public education programme targetting the general public

17. The public education programme targetting the general public is primarily intended to prevent them from becoming problem or pathological gamblers, so that they become better-informed to decide whether and how to participate in gambling, and to guard against compulsive gambling behaviour. The objectives of the programme are as follows:

- a) to enhance public understanding about the nature and risks of gambling activities;
- b) to increase public awareness of gambling-related problems—what is meant by problem and pathological gambling, how to identify such problems, when and how to seek assistance in case of need; and
- c) to foster amongst the gambling population a responsible gaming attitude.

18. We plan to publicize the above messages by phases as from the middle of 2003, through the following means--

- a) posters and banners;
- b) a number of TV and radio APIs; and
- c) a series of documentary dramas, making use of real-life stories as far as possible.

Counselling and treatment as well as other remedial services for problem and pathological gamblers

19. We plan to set up two pilot dedicated counselling and treatment centres for problem and pathological gamblers, each to be run by a non-Government organization(NGO), for a period of three years.

20. The main objectives of the pilot counselling and treatment service centres are:

- a) to provide specialized counselling and treatment services for problem / pathological gamblers and their family members;
- b) to facilitate the development of best practices and expertise in screening and counselling and treatment services for problem / pathological gamblers, as well as the requisite network with other concerned parties;
- c) to implement public education and preventive measures aimed at informing the general public of the inherent risks of gambling, and issues relating to problem and pathological gambling, as well as fostering a responsible attitude amongst the gambling population; and
- d) to collate appropriate data and statistics for the sake of enhancing understanding about the behaviour and risk factors of problem and pathological gambling.

21. Specifically, the two centres would provide the following services:

- a) help-line services to provide general service information, initial telephone screening, counselling and referral services;
- b) face-to-face counselling services;
- c) self-help and group support/therapy programmes;

- d) referral services to specialists;
- e) referral to and/or provision of psychiatric and medical treatment;
- f) guidance, training and advice for persons closely related to the problem or pathological gamblers, including family members and counselling professionals; and
- g) collation of appropriate data and statistics on users of the services to enhance understanding about the behavioural and risk factors of problem and pathological gambling.

22. We are currently drawing up the appropriate benchmarks and performance indicators for the pilot dedicated counselling and treatment centres. We have engaged the National Association for Gambling Care, Educational Resources and Training (GamCare) in the United Kingdom—an established national centre for information, advice and practical help with regard to the social impact of gambling, as our consultants in the exercise. We aim to complete this study by the end of May 2003, and would proceed to invite NGOs to submit proposals for running the dedicated service centres on the basis of the benchmarks and indicators so derived.

23. Based on overseas experience of providing similar services for problem and pathological gamblers, we expect that-

- a) around 3% of the estimated total number of probable pathological gamblers and another 1% of the estimated total number of problem gamblers might make use of the telephone help-line services; and
- b) about 50% of those who seek help through the help-line would require face-to-face counselling and treatment and other follow-up services.

Based on the above assumptions, we plan to earmark resources to handle calls from up to around 4,700 persons, and provide counselling and other follow-up services for up to around 2,300 persons in each year, through the two pilot dedicated counselling and treatment centres.

24. We would commission an academic institute to monitor and evaluate the performance and effectiveness of the two dedicated service centres by the end of the three years' pilot period, with a view to deciding how the services should continue to be provided in the longer term.

**Funding arrangements for measures
to address gambling-related problems in other jurisdictions**

Jurisdiction	Fund*	Source of funding	Administration
New South Wales (Australia)	Casino Community Benefit Fund	2% of the Sydney's casino gaming revenue	The fund is administered by trustees of the fund including representatives of religious bodies, ethnic communities, government departments responsible for education, health, community services and gaming and racing.
Northern Territory (Australia)	Community Benefit Fund	25% of gross profits from gaming machines in hotels	The fund is administered by the Community Benefit Committee which comprises members of key government departments and independent community representatives.
Queensland (Australia)	Community Investment Fund	8.5% of the taxes on interactive gambling, wagering, keno, lotteries	The fund is administered by the Gambling Directorate under the Treasury.

		and gaming machines	
Victoria (Australia)	Community Support Fund	8.33% of the net cash balance from gaming machines in hotels	The fund is administered by the Department for Victorian Communities.
Western Australia (Australia)	Problem Gambling Support Services Fund	Voluntary contributions from casinos, Bookmakers Association, Lotteries Commission and Gaming Commission	The fund is managed by the Problem Gambling Support Services Committee which consists of representatives from Gaming Commission, Lotteries Commission, Casino, Totalisator Agency Board, Bookmakers Association, university and Department of Community Services.
Tasmania (Australia)	Community Support Levy	2% - 4% levy on gross profits from gaming machine and Keno in hotels and clubs	The fund for problem gambling initiatives from the levy is administered by the Department for Health and Human Services.

Alberta (Canada)	Lottery Fund	Government's share in the net proceeds of licensed gaming activities	The fund is administered by the Ministry of Gaming.
New Zealand	Problem gambling levy	A certain amount of levy on the revenue from licensed gaming providers as calculated by a formula	The fund from the levy is administered by the Ministry of Health.
UK	Independent Trust	Voluntary contributions from the gambling industry	It is proposed that the trust should be administered by a governing body with representatives from the gambling industry, problem gambling service providers, and the proposed Gambling Commission.

* In most cases, the ambit of the funds also covers other initiatives such as community projects and support for charitable organizations.