

CHAPTER 10

**Security Bureau
Social Welfare Department
Department of Health
Lands Department**

**Residential treatment and
rehabilitation services for drug abusers**

**Audit Commission
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RESIDENTIAL TREATMENT AND REHABILITATION SERVICES FOR DRUG ABUSERS

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PART 1: INTRODUCTION

1.1 This PART describes the background to the audit and outlines the audit objectives and scope.

Background

1.2 In recent years, psychotropic substance abuse (PSA) has replaced heroin as our number-one enemy in the youth drug scene in Hong Kong. Based on the Central Registry of Drug Abuse (CRDA — Note 1), from 1999 to 2009, the number of reported abusers taking psychotropic substances increased by 137% while the number of reported heroin abusers decreased by 47% (see Appendix A). In particular, there was a rising trend for young drug abusers aged under 21 taking psychotropic substances.

1.3 The rise of PSA, particularly among students, has posed serious challenges to schools. According to a survey conducted in the school year 2008/09 by the Narcotics Division (ND) of the Security Bureau, 3.7% (30,000) students from upper primary to post-secondary level were estimated to be lifetime drug abusers and 1.2% (9,500) students were estimated to have taken drugs within 30 days of the enumeration. The survey also found that the age of drug abusers had been lowering and many abusers were hidden youths who were not motivated to seek help.

1.4 The Government's anti-drug policy consists of five elements: legislation and law enforcement, **treatment and rehabilitation (T&R)**, preventive education and publicity, research, and external cooperation. The Action Committee Against Narcotics (ACAN — Note 2) advises the Government on anti-drug strategies and programmes. The ND acts on the advice of ACAN and is responsible for the formulation of the Government's anti-drug policy and overall coordination of anti-drug efforts.

Note 1: *The CRDA is a registry maintained by the Security Bureau to collect information for monitoring the drug abuse situation in Hong Kong. The CRDA reporting network encompasses a large number of reporting agencies. As reported in Chapter 6 of the Director of Audit's Report No. 50 of March 2008, because the CRDA is a voluntary reporting system, there might have been significant under-reporting by some reporting agencies. Therefore, the CRDA may not be entirely reliable in reflecting the drug abuse situation and trend.*

Note 2: *ACAN is comprised of members coming from various sectors including youth, social work, medicine, academia and the Legislative Council. Its major tasks are to keep under constant review the programmes and projects undertaken by the Government in the anti-drug cause and to ensure coordination and cooperation among government departments and non-governmental organisations in implementing anti-drug policies.*

Voluntary treatment and rehabilitation services

1.5 **T&R is an indispensable part of the Government's anti-drug efforts to help unfortunate individuals who have fallen victim to drug abuse.** The Government has adopted a multi-modality approach to cater for the different needs of drug abusers with varying backgrounds and circumstances. In the financial year 2009-10, the Government spent some \$200 million on various types of voluntary T&R services (Note 3), as follows:

- (a) counselling centres for psychotropic substance abusers (CCPSAs) subvented by the Social Welfare Department (SWD) that provide counselling services and other assistance to psychotropic substance abusers and youth at risk;
- (b) substance abuse clinics (SACs) under the Hospital Authority that provide medical treatment to drug abusers with psychiatric problems;
- (c) methadone treatment programme under the Department of Health (DH) that offers maintenance and detoxification for heroin abusers through a network of 20 methadone clinics in an outpatient mode; and
- (d) **40 voluntary residential drug T&R centres and halfway houses (collectively termed "treatment centres") operated by 17 non-governmental organisations (NGOs) that provide T&R services for drug abusers.** As at August 2010, 20 of these treatment centres were subvented (Centres 1 to 20 — Note 4) whereas 20 were non-subvented (Centres 21 to 40). In 2009-10, the Government provided some \$100 million to support the operation of subvented treatment centres.

Treatment centres

1.6 Treatment centres provide T&R services for drug abusers who are likely to have severe drug dependence and whose social and living environments are likely to hinder their resolve or ability to participate in a community-based programme and present an immediate risk of relapse. Some drug abusers have breached the law and are required to undergo residential treatment under a probation order issued by the court (probationers) and are supervised by probation officers (POs) of the SWD. In recent years, there was an increase

Note 3: *This did not include expenditure on some other government efforts to engage the youth and to identify those at risk, which covered school social work services, youth outreaching services and other measures and schemes (e.g. the Community Support Service Scheme — see Note 6 to para. 1.9(e)(v)) and services of medical social workers.*

Note 4: *Treatment centres which adopt a non-medical approach in providing T&R services are subvented by the SWD, whereas treatment centres which adopt a medical approach are generally subvented by the DH.*

in the number of probationers (particularly young drug offenders) referred to treatment centres for T&R services. Some drug abusers are referred to the treatment centres by the CCPSAs, SACs or outreaching social workers, and some seek residential T&R services by themselves.

1.7 As at August 2010, the 40 treatment centres provided a total capacity of 1,635 places, with the capacities of individual centres ranging from 10 to 318 places. The programmes run by individual centres may vary greatly in length (from 1 month to 30 months), and in contents (involving different mixes of medical/gospel approach, vocational training, education, and counselling service), as determined by the centre operators.

1.8 Since April 2002, treatment centres are required to obtain a licence under the Drug Dependent Persons Treatment and Rehabilitation Centres (Licensing) Ordinance (the Ordinance — Cap. 566). The Ordinance provides a framework on the safety and management of treatment centres, with the objective of improving the quality of centre service and protecting the interests of persons undergoing treatment in the centres. As at August 2010 (8 years after the implementation of the Ordinance), 19 treatment centres were licensed, and 21 were not yet licensed but operating on Certificates of Exemption (CoEs) issued by the SWD. The licensing scheme is administered by the Licensing Office of Drug Dependents Treatment Centres (**Licensing Office**) under the SWD.

Government efforts in recent years to combat the drug abuse problem

1.9 To combat the escalating drug abuse problem (particularly among the youth), the Government has taken various actions in recent years, including the following:

- (a) ***Task Force led by Secretary for Justice (S for J)***. In October 2007, a high level inter-departmental Task Force on Youth Drug Abuse was set up under the chairmanship of the S for J. In November 2008, the Task Force published its Report, which contained some 70 recommendations. The Task Force advocated a caring culture in the community. On T&R, the Task Force recommended early identification of youth at risk, early intervention and enhancing the capacity and sophistication of various T&R services (see Appendix B for details);
- (b) ***ND Three-year Plan on T&R for 2009-2011***. The ND plays a leading and coordinating role in the implementation of the recommendations made by the Task Force in (a) above. In March 2009, the ND published its Fifth Three-year Plan on Drug Treatment and Rehabilitation Services in Hong Kong (**the Fifth Three-year Plan**) to provide a strategic direction for drug T&R services, and to map out the plan for implementing the Task Force's recommendations;

- (c) ***Escalated efforts led by the Chief Executive.*** In July 2009, the Chief Executive announced that he would personally lead relevant Principal Officials to expedite and escalate efforts to combat the youth drug problem along five strategic directions, namely community awareness and mobilisation, community support, drug testing, T&R, and law enforcement. In the 2009-10 Policy Address, the Chief Executive also announced that the Government had been closely liaising with anti-drug organisations to formulate new and effective modes of service and treatment programmes, and would provide more rehabilitation facilities for young drug abusers. In the 2010-11 Policy Address, the Chief Executive further announced that all sectors of the society had been mobilised to tackle the increasingly serious youth drug abuse problem and the Government would continue to join hands with them to combat drug abuse. Besides, the Government was drawing up proposals to invite new and effective models of drug T&R services;
- (d) ***Trial scheme on school drug testing.*** In December 2009, the ND and the Education Bureau (EDB) launched a trial scheme on school drug testing in the Tai Po District. The aim was to enhance the resolve of students to stay away from drugs and to trigger the motivation of those abusing drugs to seek help. The scheme was completed in June 2010. Under the scheme, 1,975 students took drug tests, and no confirmed positive case was found. The ND commissioned a consultancy study to assess the design, implementation and effectiveness of the trial scheme and to decide whether the scheme should be gradually rolled out to other schools and districts. The study was expected to be completed in late 2010. In the 2010-11 Policy Address, the Chief Executive announced that the Government had decided to extend the scheme for one year to gain further practical experience;
- (e) ***Allocation of additional resources.*** Additional resources allocated for implementing a series of T&R measures since 2008-09 include the following:
- (i) additional funding was allocated to provide 101 (in 2008-09) and 18 (in 2010-11) additional places in SWD-subvented and DH-subvented treatment centres respectively;
 - (ii) 2 new CCPSAs were opened in December 2008, and 4 more were set up in October 2010 (bringing the total number of CCPSAs from 5 to 11). Since October 2009, the SWD had provided additional recurrent resources of \$4.8 million to the CCPSAs for the provision of elementary on-site medical support services;

- (iii) in 2008-09, the Hospital Authority re-opened the SAC at Queen Mary Hospital and opened a new SAC in Kowloon East, bringing the total number of SACs to 7. In 2009-10, the Hospital Authority allocated \$13 million to provide more consultation sessions at the SACs. In 2010-11, it provided further funding of \$10 million to further strengthen the service capacity of the SACs;
- (iv) in 2008-09, additional funding of \$9.9 million was allocated to add one social work assistant to each of the 16 day outreaching teams and 18 overnight outreaching teams. In 2010-11, further funding of \$7.9 million was provided to add one assistant social work officer to each of the 16 day outreaching teams. The newly added manpower resources in 2008-09 and 2010-11 represent an increase of 19.4% (from 258 to 308 frontline social workers); and
- (v) in 2008-09, additional funding of \$3.04 million was allocated to strengthen the manpower of the Police Superintendent's Discretion Scheme (Note 5), as well as the Community Support Service Scheme (Note 6) operated by NGOs under the SWD's subvention; and
- (f) ***Capital injection into the Beat Drugs Fund (BDF — Note 7).*** \$3 billion was injected into the BDF in 2010-11 to form a larger capital base for generating greater income to support anti-drug efforts.

Audit reviews

1.10 In 2007, the Audit Commission (Audit) conducted two reviews — “Voluntary treatment and rehabilitation programmes for drug abusers” and “The Society for the Aid and Rehabilitation of Drug Abusers” (SARDA — a subvented NGO which operates nine treatment centres). Both subjects were included in the Director of Audit's Report No. 50 of March 2008.

Note 5: *The Police Superintendent's Discretion Scheme empowers police officers (of Superintendent rank and above) to caution, rather than prosecute, offenders below the age of 18.*

Note 6: *The Community Support Service Scheme is operated by five NGOs on SWD subvention to help those children and youth who are cautioned under the Police Superintendent's Discretion Scheme (see Note 5) with a view to re-integrating them into the mainstream education or work force, and reducing their likelihood of re-offending.*

Note 7: *The BDF was a fund set up in 1996 by the Government with a capital base of \$350 million to provide funding support for worthwhile anti-drug projects, including T&R projects.*

1.11 Given the important role played by treatment centres at a time when the youth drug abuse problem has become a major concern of the community, Audit has conducted another review of the voluntary T&R programmes, with emphasis on the adequacy and effectiveness of the treatment centre services. In this review, Audit has visited a number of treatment centres (subvented and non-subvented) to understand their operations and ascertain the problems they are facing, particularly those which have not yet complied with the licensing requirements eight years after the implementation of the Ordinance.

1.12 Audit has found that there is scope for improvement in the following areas:

- (a) allocation of resources to SARDA (PART 2);
- (b) usage of treatment centres (PART 3);
- (c) treatment centres on government sites/premises (PART 4); and
- (d) licensing of treatment centres (PART 5).

Acknowledgement

1.13 Audit would like to acknowledge with gratitude the full cooperation of the staff of the ND, the SWD, the EDB, the Lands Department (Lands D), SARDA, and treatment centres visited during the course of the audit review. Audit would also like to place on record its appreciation of the contributions made by treatment centres (subvented and non-subvented) in their combat against drug abuse.

PART 2: ALLOCATION OF RESOURCES TO SARDA

2.1 The changes in drug abuse situation have posed great challenges to treatment centres, especially for those which were in the past geared to the treatment of heroin abusers. This PART examines the allocation of resources to SARDA which catered mainly for heroin treatment.

Resources allocated to SARDA

2.2 Because of the long history of heroin abuse, some of the existing drug treatment facilities (e.g. SARDA and the methadone treatment programme) were mainly geared to the treatment of heroin abusers.

2.3 In the Director of Audit's Report No. 50 of March 2008 on "Voluntary treatment and rehabilitation programmes for drug abusers", Audit reported that a significant proportion of the Government's 2006-07 T&R resources were allocated to heroin-oriented T&R services despite a persistent shift from heroin abuse to PSA. In particular, \$75 million was provided to SARDA in 2006-07. Audit further noted that the demands for SARDA services were then decreasing continuously (mainly attributable to the considerable decrease in admissions to Centre 1) and there was spare capacity in its facilities.

2.4 In its Report of July 2008, the Public Accounts Committee (PAC) of the Legislative Council (LegCo) expressed concern that Centre 1 of SARDA (Note 8) was under-utilised due to the shift from the use of heroin to psychotropic substances among drug abusers and the resulting drop in demand for SARDA services. The PAC also noted that the DH was then examining the issue of adjustment of resources in response to the drop in enrolment at Centre 1 to around 64% of its approved capacity. The PAC recommended that the Secretary for Security should make an early decision on SARDA's proposal to establish a Centre for Anti-drug Education and Disciplinary Training at Centre 1 site without delay.

2.5 In February 2010, the PAC was informed that:

- (a) the Administration had serious reservations about the financial viability of the proposal to establish a Centre for Anti-drug Education and Disciplinary Training

Note 8: *SARDA operated four residential T&R centres (with a capacity of 402 places) and five halfway houses (with a capacity of 93 places). Centre 1 was the biggest with a capacity of 316 places.*

at the Centre 1 site. SARDA was encouraged to further explore the better use of its existing resources and facilities (especially in Centre 1), including suitable re-engineering to provide services for psychotropic substance abusers, and possible partnership with other service agencies which had more extensive experience in the area; and

- (b) to assist SARDA, the Security Bureau had commissioned the Efficiency Unit (EU) to undertake a study with a key objective of identifying and considering various options for SARDA to re-prioritise its existing resources and expand its T&R programmes for psychotropic substance abusers.

2.6 In its Study Report of August 2010, the EU reported that the three smaller residential treatment centres of SARDA (Centres 2, 3 and 4 with a total capacity of 86 places) had been admitting predominantly psychotropic substance abusers and were fully utilised, but Centre 1 (with a capacity of 316 places) was not yet positioned to cope with psychotropic substance abusers or young drug abusers, and had a relatively low occupancy rate (see Table 1). The EU concluded that there was much potential in re-prioritising the resources at Centre 1 to meet the rising demand for PSA treatment.

Table 1

Utilisation of SARDA's four residential treatment centres

| Centre | Capacity (Number of places) | Occupancy rate | | |
|-----------------|--------------------------------|----------------|--------------|--------------|
| | | 2006-07 | 2007-08 | 2008-09 |
| Centre 1 | 316 | 64.1% | 62.9% | 63.5% |
| Centre 2 | 20 | 97.5% | 94.3% | 97.9% |
| Centre 3 | 42 | 68.5% | 87.8% | 95.3% |
| Centre 4 | 24 | 102.4% | 100% | 99.5% |

Source: EU's Study Report of August 2010

2.7 Apart from the EU Study Report, the Task Force led by the S for J had also recommended in its Report of November 2008 that the Administration should ensure that T&R resource allocation would meet the changing demand, including a review of the subvention allocation to SARDA which mainly handled heroin abusers. In 2009-10, \$81 million was provided to SARDA.

Audit observations and recommendation

2.8 As at August 2010, SARDA provided in total 495 (402 + 93) places for treatment (see Note 8 to para. 2.4), 460 of which were subvented by the Government. These 460 subvented places provided by SARDA represented **58%** of the total number of places (799 — see para. 3.11(a)) provided by all treatment centres under government subvention. **Audit is however concerned that, of these 460 subvented places provided by SARDA, 316 were provided by Centre 1 which had not yet been re-engineered to cope with PSA.** As mentioned in paragraph 2.6, Centre 1 had occupancy rates of 64.1%, 62.9% and 63.5% for the three years from 2006-07 to 2008-09 respectively. For the six months ended June 2010, the occupancy rate dropped further to 53.9%. As the EU concluded (see para. 2.6), there was much potential in re-prioritising resources at Centre 1 to meet the rising demand for PSA treatment.

2.9 In its Government Minute of May 2010, the Administration reported that in December 2009, SARDA had submitted a framework proposal to the ND for a 3-year pilot programme (named “Project Youth Care”). At the same time, SARDA applied to the Hong Kong Jockey Club Charities Trust for funding support for the proposed pilot programme. The programme followed a multi-disciplinary and holistic service model to deliver drug preventive and rehabilitation programmes to youths aged 12 to 18. Services included medical check-up, treatment, social work intervention, supported by residential character training for male addicts using the under-utilised facilities of Centre 1 and an after-care programme.

2.10 In May 2010, having consulted relevant departments on the support-worthiness of the “Project Youth Care” proposal, the ND provided SARDA with detailed comments on the proposal with a view to helping the latter further develop and substantiate it. The ND informed SARDA that:

- (a) the Administration saw merits in the proposal in making use of the under-utilised facilities at Centre 1 to respond to the latest drug scene and to serve more young drug abusers;
- (b) the Administration had no objection to SARDA seeking funding support from the Hong Kong Jockey Club Charities Trust for the proposed project; and
- (c) taking into account the progress and outcome of the proposed project and the changing drug scene, the Administration would be in a better position to see whether and how best the project might continue after the 3-year pilot period and to consider funding needs of SARDA in the future.

2.11 In July 2010, the ND requested the Hong Kong Jockey Club Charities Trust to give favourable consideration to SARDA’s initiative after receipt of its revised proposal.

Audit recommendation

2.12 Given that Centre 1 had been under-utilised for quite a number of years, Audit has *recommended* that the Commissioner for Narcotics should, in collaboration with the Director of Health, closely monitor the pace of re-engineering in Centre 1 and provide necessary support to SARDA in implementing cost-effective projects to cope with PSA.

Response from the Administration

2.13 The Commissioner for Narcotics welcomes the audit recommendation. She has said that:

- (a) the audit recommendation is in line with the policy initiatives which the Administration has been pursuing;
- (b) the Administration has been expediting efforts to help SARDA to re-engineer its services, some of which are reported in paragraphs 2.5 to 2.7 and 2.9 to 2.11;
- (c) of the four residential T&R centres operated by SARDA (see Note 8 to para. 2.4), three have successfully re-engineered. The average percentage of psychotropic substance abusers they admitted has risen from 41% in 2006 to 79% in 2009. Occupancy rates are also high, averaging 96% in 2009;
- (d) as regards Centre 1, following the developments reported in paragraphs 2.10 and 2.11, the ND has had further exchanges and meetings with SARDA to elaborate the ND's advice on the "Project Youth Care" proposal, emphasising the need for expediting the use of the under-utilised facilities in Centre 1 to serve more psychotropic substance abusers and redeploying existing resources to this pilot project as early as possible;
- (e) the Administration needs also to bear in mind that Centre 1 has a legitimate role to help heroin abusers who still remain at a sizeable number; and
- (f) the ND will, in collaboration with the DH, closely monitor the progress and provide all necessary support.

2.14 The Director of Health has said that the DH will continue to support SARDA in re-engineering its services, under the leadership of the ND.

PART 3: USAGE OF TREATMENT CENTRES

3.1 This PART examines the usage and workloads of treatment centres.

Treatment centres

3.2 Treatment centres cater for the needs of those drug abusers who voluntarily seek residential treatment, rehabilitation and social re-integration. They also provide aftercare service (e.g. through halfway houses) to rehabilitated abusers with specific service objectives, including abstinence from taking drugs, re-integration into the community and developing a new direction in life and positive change in behaviour. As at August 2010, there were 40 treatment centres with a capacity of 1,635 places (see para. 1.7). 28 centres were serving male abusers (1,105 places, or 68%), 11 were serving female abusers (212 places, or 13%) and 1 was serving both male and female abusers (318 places, or 19%).

The Government's efforts in enhancing and expanding the T&R services

3.3 The need for enhancing and expanding the T&R services was recognised by the Task Force led by the S for J. In 2008 and 2009, the SWD approved increases of 136 additional places in the licensed capacities of 4 treatment centres (as a result of in-situ expansion or centre re-provisioning) and the licensing of a new treatment centre with 18 places. As regards subvention, in 2008-09, the Government had allocated additional resources to provide 101 additional subvented places (see para. 1.9(e)(i)).

3.4 Building on the Task Force's recommendations and following consultation with the anti-drug sector, the ND further recommended the way forward in its Fifth Three-year Plan (2009-2011), which included allocating additional resources to provide more places at treatment centres, where justified, and encouraging the development of new or proven service models that would better address the needs due to the changing drug scene (e.g. short-term residential programmes and programmes with more emphasis on education).

3.5 In a paper of April 2009 for discussion among members of an inter-departmental Working Group on Youth Drug Abuse (Note 9), the ND reported the following:

Note 9: *In early 2009, an inter-departmental Working Group was set up under the chairmanship of the Commissioner for Narcotics to steer, coordinate and monitor the implementation of the recommendations of the Task Force led by the S for J. The Working Group reported to both ACAN and the Fight Crime Committee.*

- (a) a number of programmes which were popular among young drug abusers had experienced rapid growth in demand. Some had reached or even exceeded their capacities;
- (b) there was a clear indication that the current service provision might not be adequate to meet the demand. There was also clear feedback of inadequate places for female drug abusers; and
- (c) there was also an increasing demand for education to be provided at treatment centres, and in some treatment centres which provided educational programmes, their occupancy rates had exceeded the capacity.

3.6 Since April 2009, the ND had secured further resources to provide additional 18 places from 2010-11 onwards in two DH-subsented treatment centres (see para. 1.9(e)(i)). It also supported in principle a proposal from one NGO for re-provisioning two of its centres on Lantau Island and increasing the two centres' capacities from 64 to 200 places. To support the Chief Executive's announcement that the Government would provide more rehabilitation facilities and support for young drug abusers (see para. 1.9(c)), in September 2009, the ND conducted a survey on the service usage of treatment centres.

Audit examination

3.7 In this PART, the following areas relating to treatment centres are examined:

- (a) overall capacity to meet demands (paras. 3.8 to 3.12);
- (b) uneven workloads among treatment centres (paras. 3.13 to 3.16);
- (c) probationers' waiting time for receiving treatment (paras. 3.17 to 3.28); and
- (d) the Government's information collection and sharing system (paras. 3.29 to 3.31).

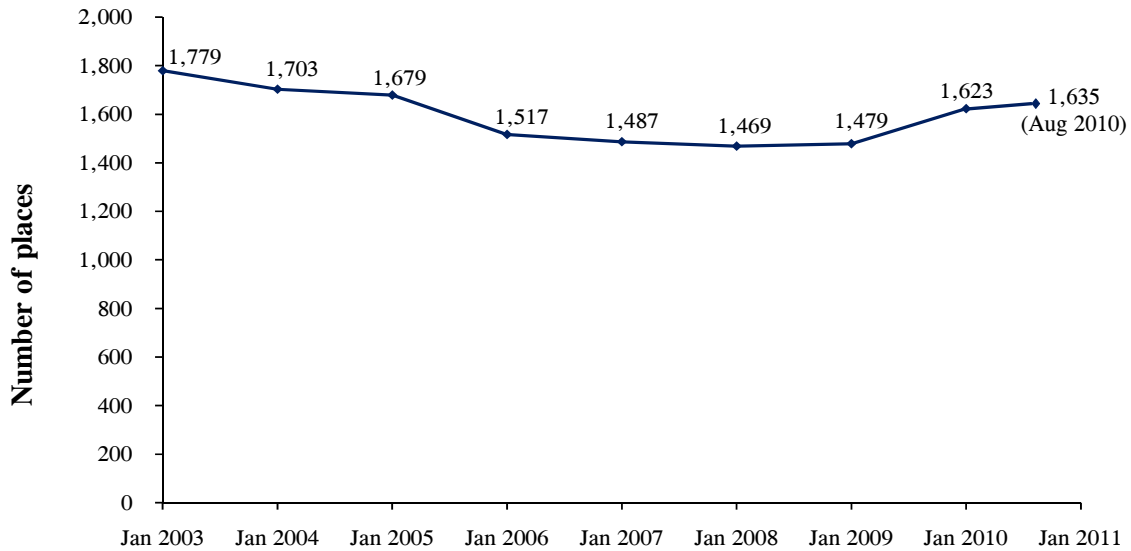
Audit observations and recommendations

Overall capacity to meet demands

3.8 Audit found that from 2003 to 2010, there was a decrease in the overall capacity of treatment centres, as shown in Figure 1.

Figure 1

**Overall capacity of treatment centres
(2003 to 2010)**



Source: SWD records

Remarks: Of the 1,635 places available as at August 2010, 226 were provided by halfway houses.

3.9 Audit further found that the provision of additional subvented places did not always increase the overall capacity. This was because, very often, the provision had only involved a change in the ratio of subvented places to non-subvented places and there was, in fact, no increase in the total number of places provided (see example in Case 1).

Case 1

Provision of additional subvented places to two treatment centres

1. In 2007-08, NGO 1 operated two treatment centres with a capacity of 49 places, 33 of which were subvented and **16 non-subvented**.
2. In 2008-09 and 2009-10, the SWD approved the provision of 4 and 12 additional subvented places at the two centres. As a result, the 16 non-subvented places became subvented ones, but there was no increase in the capacity of the two centres, which continued to provide 49 places.

Source: SWD records

3.10 Audit analysis indicated that in respect of the 101 additional subvented places approved in 2008-09 (see para. 3.3), up to August 2010, 91 places had been provided, but they had only increased the overall capacity of treatment centres by 28 places. This was because 63 places involved only a change from non-subvented places to subvented places (see Case 1). On Audit's enquiries on the implications of subvention, in August 2010, the SWD explained that subvented places must be used for treatment of drug abusers whereas non-subvented places might be used by centres concerned to provide services for non-drug abusers (e.g. persons with behavioural or family problems, school drop-outs, and alcoholics). The SWD also informed Audit that many of the centres were unwilling to take up subventions because they preferred to enjoy more flexibility in their operation. In September 2010, the SWD further informed Audit that:

- (a) the SWD had made strenuous efforts to bid for the additional provision of 101 places to strengthen the service provision to cope with the anticipated service demand driven by the Government's efforts to combat youth drug abuse (see para. 1.9); and
- (b) to tie in with the treatment centres' operational arrangement to phase in the added provision, the allocation of the 101 places would be completed by end of 2010. This would ensure a net increase of 101 centre places **exclusively dedicated** to helping drug abusers instead of those with other social needs.

3.11 As at August 2010, the overall capacity of treatment centres stood at 1,635 places (see Figure 1). Based on an analysis of these 1,635 places, Audit found the following:

- (a) ***Half of the places were subvented ones, but a significant proportion of them were geared to heroin treatment.*** Of the 1,635 places available, 799 (49%) were subvented places and 836 (51%) were non-subvented ones. Among the subvented places, Centre 1 was the biggest one (with a capacity of 316 places — see para. 2.6) which provided 40% of the 799 subvented places, but remained geared to heroin treatment and was under-utilised (see para. 2.8);
- (b) ***Most of the places for PSA treatment were provided by non-subvented treatment centres.*** Excluding 374 places provided by SARDA mainly for heroin treatment (Note 10), the remaining 1,261 (1,635 less 374) places mainly catered for PSA treatment. Of these 1,261 places, 437 (35%) were subvented places whereas 824 (65%) were non-subvented ones. Given that the Government's control over non-subvented centres is generally limited (see para. 4.6), the fact that PSA treatment was predominantly provided by non-subvented centres is a cause for concern; and
- (c) ***Not all 1,635 places were available to drug abusers.*** Not all 1,635 places were available to drug abusers because:
- (i) as mentioned in paragraph 3.10, treatment centres could have used some of their non-subvented places for admitting non-drug abusers. Based on the SWD's latest inspection reports (up to June 2010), 9 treatment centres had admitted a total of some 80 non-drug abusers (8% of their total admissions) at the time of the SWD's inspections; and
 - (ii) due to various reasons (e.g. staff resource constraint), some centres might not be ready to operate at full capacities (Note 11).

3.12 Audit recognises the Government's efforts made to combat the escalating drug abuse problem. **However, given the rising trend of drug abuse in recent years, the ND needs to keep the overall capacity of treatment centres under close review to see if it can meet demands, taking into account the audit observations in paragraphs 3.8 to 3.11.**

Note 10: *These 374 places for heroin treatment were provided by Centres 1, 5, 6 and 7 of SARDA.*

Note 11: *For example, during an audit visit in March 2010, the operator of one non-subvented treatment centre informed Audit that although its centre had a capacity of 24 places, its manpower could only handle at most 18 drug abusers at one time.*

Uneven workloads among treatment centres

3.13 The workloads among treatment centres were uneven. According to the ND survey conducted in September 2009 (see para. 3.6) on the services of treatment centres for the 12 months ended July 2009:

- (a) the occupancy rates reported by 5 responding NGOs (Note 12) and 18 responding treatment centres ranged from 7% to 150%. Among the 5 responding NGOs, 1 reported to have an occupancy rate of “over 100%” and 4 within the range of “50% to 100%”. Among the 18 responding treatment centres, 4 reported to have occupancy rates of “over 100%”, 12 within the range of “50% to 100%” and 2 “below 50%”;
- (b) some NGOs and treatment centres indicated that for the 12 months ended July 2009, drug abusers were required to wait on average for 1 to 13 weeks before admission (with 1 NGO and 5 centres having an average waiting time of more than 8 weeks). As at 31 July 2009, the total number of drug abusers waiting for admission was 176. On the other hand, some NGOs and treatment centres indicated that there was no waiting time for admission to their centres; and
- (c) there was also feedback from the anti-drug sector (including ACAN members, CCPSAs, SACs and POs) on the inadequacies in the services provided by existing treatment centres. Such inadequacies included insufficient places provided by treatment centres (especially for female drug abusers), long waiting time, inadequate training for centre staff, lack of medical support, need for strengthening the vocational and educational programmes for drug abusers, and lack of transparency in the provision of services.

3.14 Based on the ND survey and the SWD inspection reports (see Appendix C), supplemented by audit visits (Note 13), Audit found that there were treatment centres with high occupancy rates and long waiting time. For a few centres, their occupancy rates were 100% or over (meaning that their intake had reached or even exceeded the centres’ licensed capacities). Obvious examples included Centres 28 and 29 (Note 14). There was in

Note 12: *Each NGO responded on behalf of two or more treatment centres.*

Note 13: *Based on enquiries during audit visits to five treatment centres (March to July 2010), three centres admitted to Audit that, due to no immediate places available, drug abusers had to wait for quite a number of weeks before admission to their centres.*

Note 14: *As informed by the ND in September 2010, actions were in hand to re-provision Centres 28 and 29 (both belonging to one NGO) to a new place to increase their capacity from 64 to 200 (see para. 3.6).*

particular a shortage of places for female drug abusers. On the other hand, there were treatment centres with significant spare capacities. Examples included Centres 25 and 37 (Notes 15 and 16).

3.15 Treatment centres have adopted different treatment approaches to cater for the needs of drug abusers. The programmes they offered may vary greatly in length and in contents (see para. 1.7). The programmes offered by some treatment centres are more popular among young drug abusers (see para. 3.5(a)). **Audit is however concerned about the uneven workloads among the centres.** For those which were overloaded, there would be waiting time for admission. The fact that two centres had an occupancy rate that consistently exceeded their capacities (see Appendix C) is undesirable given that, apart from waiting time, an overcrowded environment might degrade the services provided to drug abusers. On the other hand, for those with spare capacities, there might be an under-utilisation of resources.

3.16 The Government has a partnership relationship with treatment centres (subvented and non-subvented). Such relationship builds, among other things, on:

- (a) the implementation of the licensing scheme;
- (b) the provision of government subventions (for subvented centres);
- (c) referrals of probationers to centres for treatment under probation orders (see para. 1.6); and
- (d) the provision of government sites/premises to NGOs for operating treatment centres (see para. 4.2).

Note 15: *As informed by the ND in September 2010, Centre 25 was a halfway house which helped rehabilitated drug abusers to re-integrate into society. Its programme and physical setting were not the same as those found in treatment centres that offer service to drug abusers seeking treatment.*

Note 16: *As informed by the ND in September 2010, Centre 37 was in poor physical condition, and was advised in May 2009 to suspend admission of new clients until removal of unauthorised structures which the Buildings Department considered as dangerous for occupation. The unauthorised structures were removed only in May 2010. Moreover, the ND informed Audit that the NGO operating Centre 37 was suffering from limitation in manpower and expertise. The centre was planning for in-situ redevelopment and assistance was being given to the NGO.*

Given the partnership relationship, the Government needs to take steps to help the treatment centres (subvented and non-subvented) enhance their service capabilities as far as possible and, where appropriate, even out their workloads. The ND survey also highlighted some inadequacies in the services provided by the centres (see para. 3.13(c)). **Audit considers that the ND, in its review of the overall capacity of treatment centres (see para. 3.12), needs to critically assess the extent of the service gap and take appropriate actions to reduce it as far as possible.**

Probationers' waiting time for receiving treatment

3.17 According to the ND survey, for most treatment centres, PO referrals were their major source of drug abuser cases. This was also observed to be the case by Audit during audit visits to a number of centres. Based on the ND survey, for the year ended 31 July 2009, POs had referred some 470 probationers to the centres for treatment.

3.18 In Hong Kong, probation order is a significant sentencing option, providing for intervention measures for drug abusing offenders in lieu of a custodial sentence. Underpinned by the Probation of Offenders Ordinance (Cap. 298), probation supervision has been established in Hong Kong for over 50 years. It is administered by POs of the SWD under judicial oversight.

3.19 Pursuant to the Probation of Offenders Ordinance, the court first requires the PO to submit a pre-sentence social enquiry report with recommendation on the suitability of an offender for probation supervision. The PO gathers information about the offender's personal background, development history as well as his circumstances and attitudes regarding the offence and rehabilitation prospects. The PO, in the course of social enquiry, may conduct home visits and collateral contacts with the significant others of the offender.

3.20 Based on the PO's recommendation (Note 17), the court will impose conditions in the probation order, which may include a condition that the offender should undergo a voluntary drug treatment programme (e.g. residential T&R service, CCPSA or SAC) as directed by the PO (Note 18). Following the sentence to place an offender on probation, the PO will render statutory supervision to the offender (the probationer) pursuant to the conditions stipulated in the probation order. The order usually lasts for a period of one to three years.

3.21 The PO is required to report the probationer's progress at regular intervals as directed by the court, or may initiate progress reports on the probationer's unsatisfactory performance and bring the probationer to the court in dealing with a breach of the order. An extension of the probation supervision period or other sentencing options may be recommended to the court if the probationer is found to have abused drugs during the period.

3.22 With the support of the SWD, Audit identified that, as at 23 April 2010, the POs were handling some 1,100 active drug abuser cases, of which 648 (59%) related to referral of probationers by POs to treatment centres. An audit analysis of the 648 cases further indicated that in 201 (31%) cases, the probationers had to wait for over two weeks before admission to the centres. A breakdown of the time lapse is shown in Table 2.

Note 17: *POs may recommend, with the consent of the probationer (if the probationer is aged 14 or above), referring him to receive treatment at a treatment centre depending on his rehabilitation needs. For an offender who does not give consent, the court may impose other options including a custodial sentence such as compulsory drug abstinence treatment in a drug addiction treatment centre operated by the Correctional Services Department.*

Note 18: *The probation orders may also stipulate other conditions, including but not limited to:*

- (a) keeping good behaviour;*
- (b) keeping in touch with the PO;*
- (c) abstaining from all kinds of dangerous drugs;*
- (d) submitting random urine tests; and*
- (e) disassociating himself from adverse peers.*

Table 2

Time lapse before admission of probationers to treatment centres

| Time lapse (Note) | Number of cases | Percentage |
|----------------------|------------------|-------------------|
| ≤2 weeks | 447 | 69.0% |
| >2 to 4 weeks | 45 | 6.9% |
| >4 to 6 weeks | 57 | 8.8% |
| >6 to 8 weeks | 28 | 4.3% |
| >8 to 10 weeks | 37 | 5.7% |
| >10 to 12 weeks | 4 | 0.6% |
| >12 to 14 weeks | 13 | 2.0% |
| >14 to 16 weeks | 5 | 0.8% |
| >16 to 18 weeks | 7 | 1.1% |
| >18 to 20 weeks | 4 | 0.6% |
| 21 weeks | 1 | 0.2% |
| Total | 648 (201) | 100% (31%) |

Source: Audit analysis of SWD records

Note: The time lapse counted from the date when a probationer was provisionally included in the waiting list of a particular treatment centre, to the actual date of admission to the centre.

3.23 An audit analysis of the 71 cases with time lapse of “over 8 weeks” in Table 2 (i.e. **waiting time of over 2 months**) shows that 94% of the cases related to six treatment centres, as shown in Table 3.

Table 3

Analysis of 71 cases with waiting time of over 2 months

| Treatment centre (Note) | Licensed capacity (Number of places) | Number of cases | Percentage |
|---------------------------------------|---|-----------------|-------------|
| (a) Centre 3 | 42 | 21 | 29% |
| (b) Centre 14 | 88 | 17 | 24% |
| (c) Centre 2 | 20 | 12 | 17% |
| (d) Centres 9 and 10 (under NGO 1) | 49 | 12 | 17% |
| (e) Centre 19 | 24 | 5 | 7% |
| (f) 4 other centres | 94 | 4 | 6% |
| Total | | 71 | 100% |

Source: Audit analysis of SWD records

Note: Centres 3, 2 and 19 were DH-subvented while Centres 14, 9 and 10 were SWD-subvented.

3.24 For the six subvented treatment centres in (a) to (e) of Table 3, their admissions were mainly PO referral cases, but their licensed capacities (223 places in total) were limited. Of the 648 active PO referral cases as at 23 April 2010, 325 (50.2%) related to probationers under treatment at these six centres. On the other hand, there were other centres with significant spare capacities, but they admitted limited PO referral cases. **Centre 21** (a non-subvented centre with a licensed capacity of 318 places) is an example in point. Of the 648 active PO referral cases, only 43 (6.6%) cases related to probationers under treatment at Centre 21. **The uneven distribution of PO referral cases deserves attention.**

3.25 It is understood that POs, in making their recommendations to the court, would use their professional judgement in deciding the suitable treatment centres to be referred to (see para. 3.15 and Note 19) and have to obtain the consent of the probationers.

Note 19: POs informed Audit that the T&R programmes, duration requirement and clientele (such as gender and age groups) of some treatment centres might not fully meet their referral needs.

Nonetheless, the uneven allocation of PO referral cases to centres and the long waiting time involved for referrals to some of the centres are causes for concern. Audit considers that the SWD needs to ascertain the reasons for the uneven allocation of PO referral cases and, in collaboration with the ND and the DH, take measures to reduce the waiting time.

3.26 As at August 2010, there were 12 probation offices in the territory. Based on an examination of the SWD case files for 22 cases (with 18 cases involving waiting time of over 2 months) handled by 5 probation offices, Audit found that in all cases, the probationers had to wait for admission as no immediate places were available at the specific treatment centres. Audit further found that in 14 (64%) of the 22 cases, although the probation orders had disallowed the probationers from taking any kinds of dangerous drugs during the probation supervision periods (see Note 18 to para. 3.20), the probationers were found to have abused drugs while awaiting admission to the treatment centres. One example (Case 2) is shown below.

Case 2

A probationer was found abusing ketamine while awaiting admission

Case particulars

1. Because of a drug offence, a probationer (with drug abuse problem) was put on an 18-month probation supervision in August 2009. The probation order had stipulated, among other things, that the probationer should refrain from abusing or possessing any dangerous drugs, and should receive a one-year residential drug treatment programme.
2. In August 2009, under the direction of the PO, the probationer applied for placement in a treatment centre. She attended an intake interview in September 2009 and was admitted to the centre for treatment in December 2009.
3. During the period from August to November 2009 while the probationer was awaiting admission, the PO kept on supervising the probationer (e.g. through office interviews and telephone contacts), but eight urine tests submitted by the probationer showed positive results to ketamine. The PO counselled her on her drug problem. The probationer confessed that she felt bored at home and could not resist drug temptation from her peers. As an interim measure, the probationer was referred to attend a non-residential drug counselling programme operated by one religious organisation.
4. According to the PO's case record sheet of July 2010, the probationer adjusted satisfactorily in the treatment centre.

Source: SWD records

Among the 14 cases in which the probationers were found to have abused drugs while awaiting admission to treatment centres, 5 (36%) probationers had their probation supervision periods extended subsequently (by 3 to 15 months).

3.27 Probationers in need of treatment should always be provided with appropriate services as early as possible. The fact that they have to wait for more than 2 months before admission is not desirable. Waiting time is a clear indicator of pressure on existing services. As a drug abuser may not have high motivation to seek help, it is essential to seize the opportunities when he or she is receptive to receiving treatment (such as when the harmful effect of drugs surfaces, or after prolonged, intensive counselling or guidance). Given that the drug abusers' motivation to seek help will decrease with the passage of time, long waiting time is not conducive to effective treatment.

3.28 Long waiting time also has an impact on increasing the workloads of POs, because the probation supervision periods may need to be extended and POs need to supervise the probationers until the probation orders are satisfactorily discharged.

The Government's information collection and sharing system

3.29 The Government collected the following types of information from treatment centres:

- (a) under a subvention system, the SWD and the DH required subvented centres to submit quarterly performance returns. Examples of such performance information submitted included:

| Performance measures | Requirement by SWD | Requirement by DH |
|-----------------------------|---|--|
| <i>Output measures</i> | <p><u>Examples:</u></p> <p>occupancy rate;</p> <p>total number of vocational training sessions; and</p> <p>total number of hours for rendering counselling (or conducting programme) to residents by registered social workers.</p> | <p><u>Examples:</u></p> <p>number of patients admitted for residential treatment; and</p> <p>bed-days occupied at treatment centre.</p> |
| <i>Outcome measures</i> | <p><u>Examples:</u></p> <p>programme completion rate;</p> <p>rate of aftercare cases staying drug-free upon termination of aftercare service in a year; and</p> <p>rate of aftercare cases having achieved one of the objectives upon termination of aftercare service:</p> <ul style="list-style-type: none"> — settled with schooling/retraining — settled with employment — led a decent living | <p><u>Examples:</u></p> <p>programme completion rate:</p> <ul style="list-style-type: none"> — detoxification (%) — rehabilitation (%) |

- (b) to comply with the Code of Practice (CoP) issued by the SWD under the Ordinance, centres (subvented and non-subvented) had to submit monthly drug abuser statistics (reporting on numbers of admissions/discharges/dropouts, occupancy rate and programme completion rate) at intervals of not longer than 6 months to the SWD;
- (c) as the licensing authority, the SWD collected occupancy data (including the age profile of drug abusers) from centres in its licensing inspections;

- (d) a Service Information System (SIS) was a pilot scheme run by the ND. It captured extensive drug-related information provided by five subvented centres which had participated since 2006 in the pilot run. Such information collected included operational statistics, output and outcome performance;
- (e) in September 2009, the ND conducted a survey to collect information about the service usage of treatment centres for the 12 months ended July 2009 (see paras. 3.6 and 3.13); and
- (f) since 1995, the EDB has been providing subvention to treatment centres to operate educational programmes (Note 20) for young drug abusers aged 18 or below. For the school year 2009/10, such educational programme was funded at the rate of \$330,000 a year (with 10 students in each programme — Note 21). At the beginning of a school year, the EDB would contact individual centres by phone to remind them of the availability of subvention for operating educational programmes. Throughout the school year, the EDB would approve applications from treatment centres for subvention should the latter indicate that they had 5 or more students under treatment at their centres.

3.30 Audit found that the existing mechanism of collecting information from treatment centres was fragmented, and information so collected was not effectively shared within the Government, as evidenced by the following:

- (a) treatment centres (especially subvented ones) were required to submit similar information (e.g. occupancy rates and programme completion rates) to the SWD/DH/ND under the subvention system/SIS, and in compliance with the CoP;
- (b) although centres were required to submit monthly drug abuser statistics under the CoP to the SWD, as at August 2010, 19 of the 40 centres had **not** submitted their statistics for 2009. The SWD had not always taken follow-up actions;

Note 20: *In the school year 2009/10, 20 subvented educational programmes were operated in 11 treatment centres. As at February 2010, 158 young drug abusers were receiving educational programmes subvented by the EDB. In addition, one NGO operated a private school co-located with its two treatment centres to provide educational programmes to school-age drug abusers.*

Note 21: *In the school year 2010/11, the rate is revised upwards to \$460,000 a year for each educational programme. With the increase, treatment centres are also expected to strengthen the structure and design of their educational programmes and broaden the scope to meet the diverse learning and training needs of young drug abusers.*

- (c) although the SIS (in pilot run by the ND since 2006) provided valuable drug-related information for analysis and planning, a timetable for its full implementation had not yet been worked out;
- (d) information collected from centres was not effectively shared among the anti-drug sector (including POs, CCPSAs and SACs). Even within the SWD, although workload statistics and occupancy rates for different centres were collected by its Licensing Office, POs in the Corrections Section of the Youth and Corrections Branch had to contact different centres direct to ascertain the availability of places for the treatment of probationers. Since April 2010, information on the updated occupancy rate of each centre has been distributed to POs for reference and, since August 2010, up-to-date information on the centres' occupancy rates has also been uploaded to the Intranet of the SWD for POs' timely and easy access;
- (e) there was no arrangement for the regular dissemination of information. For example, the SWD collected information during its licensing inspections on the numbers of young drug abusers (aged below 18) receiving treatment at centres, but such information was not shared with the EDB. In fact, based on the SWD's inspection reports (for the period from January 2009 to June 2010), Audit noted that 10 centres had each admitted quite a few young drug abusers (aged below 18) for treatment in their centres, but these centres had not sought subvention from the EDB for operating educational programmes; and
- (f) no information was regularly collected from centres on the number of rehabilitated students who could return to mainstream schools. In July 2009, the LegCo Panel on Education requested the Government to provide such statistics. It was considered that such information would be useful for the Government to monitor the adequacy of its support to rehabilitated students. In a progress report submitted to the Panel in September 2010, the Government confirmed that no such information was collected.

3.31 Given the rise of the drug abuse problem in Hong Kong, the Government has to address the problem strategically. To support the Government in reviewing and revising the T&R strategy from time to time, there is a need for the ND to improve the existing system of information collection from treatment centres to meet the needs of different stakeholders.

Audit recommendations

3.32 **Audit has recommended that the Commissioner for Narcotics should, in collaboration with the Director of Social Welfare and the Director of Health:**

Overall capacity to meet demands

- (a) keep the overall capacity of treatment centres under close review to see if it can meet the service demands, taking into account the audit observations in paragraphs 3.8 to 3.11;

Uneven workloads among treatment centres

- (b) in her review of the overall capacity of treatment centres in (a) above, critically assess the extent of the service gap and take appropriate actions to reduce it as far as possible; and

The Government's information collection and sharing system

- (c) improve the existing system of information collection from treatment centres to meet the needs of different stakeholders.

3.33 Regarding the probationers' waiting time for receiving treatment (see paras. 3.17 to 3.28), Audit has *recommended* that the Director of Social Welfare should:

- (a) ascertain the reasons for the uneven allocation of PO referral cases; and
- (b) in collaboration with the Commissioner for Narcotics and the Director of Health, critically review the undesirable situation when some probationers had to wait for a long time (e.g. more than 2 months) before admission, and take measures to reduce the waiting time for treatment as far as possible.

Response from the Administration

3.34 The **Commissioner for Narcotics** welcomes the audit recommendations in paragraphs 3.32 and 3.33. The **Secretary for Labour and Welfare** and the **Director of Social Welfare** also agree with the audit recommendations in paragraph 3.33.

Overall capacity to meet demands

3.35 The **Commissioner for Narcotics** has said that:

- (a) the audit recommendation in paragraph 3.32(a) is in line with the policy initiatives which the Administration is pursuing;

- (b) the ND has been keeping the overall capacity under close review. The ND is grateful to Audit for recognising some of the Administration's specific efforts in recent years as set out in paragraphs 3.3 to 3.6;
- (c) in addition to helping existing treatment centres upgrade or re-provision their premises to meet licensing requirements, the Administration supports their expansion where feasible and justified (subject to site and physical constraints). Examples include Centres 28 and 29 (for which the Administration supported expansion from 64 to 200 places — see para. 3.14), Centres 30 and 31 (for which the Administration supported expansion from 60 to 96 places) and Centre 23 (for which the Administration supported expansion from 40 to 50 places). Actions are underway to help the NGOs concerned take forward their proposals. This is indeed a recommendation in the Fifth Three-year Plan;
- (d) in the 2009-10 Policy Address, the Government pledged to provide more rehabilitation facilities for young drug abusers and to invite proposals for new and effective modes of service and treatment programmes. The invitation exercise is now scheduled for the fourth quarter of 2010;
- (e) the above efforts will continue. The ND will coordinate inter-departmental efforts in consultation with stakeholders through ACAN, the Drug Liaison Committee (Note 22) and other appropriate platforms. The preparation in 2011 of the Sixth Three-year Plan (2012-14) will provide a structured opportunity to involve players in the anti-drug sector;
- (f) Audit's observations and the Government's efforts must be seen against the peculiar landscape of treatment centres, as follows:
 - (i) currently, there are 40 treatment centres run by 17 voluntary NGOs, which have been pioneered and developed over the last four decades. Traditionally, Christian agencies were funded by their churches, local or overseas, and secular treatment programmes were financed by voluntary organisations. Most have also been regularly assisted by the Government in terms of land, nominal rents, rates relief, payment of Comprehensive Social Security Assistance to eligible clients, and grants for employment of teachers;

Note 22: *The Drug Liaison Committee was formed in 1993 to facilitate cooperation and communication between the ND and NGOs. Committee members include NGO representatives from the T&R field, drug education experts, youth groups and organisations as well as government representatives.*

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- (ii) the 17 NGOs represent a wide array of voluntary organisations with different backgrounds, philosophies, treatment approaches, capabilities and resource back-up. Many of them are small ones and many of their treatment centres are serviced by ex-drug abusers after rehabilitation. For a long time, the clients they served were usually adult heroin abusers. Residential drug treatment services are hardly a mainstream, well-developed social welfare service or a focus of many more established NGOs in the community. Apart from SARDA (which began to receive government subvention in the 1960s), the Government started in late 1990s to provide recurrent subvention through the DH and the SWD to some treatment centres after an open invitation or assessment of programme effectiveness; and
- (iii) the partnership between NGOs and the Government builds on not only those factors observed by Audit in paragraph 3.16, but also a number of other equally important factors from NGOs' perspectives, such as the following:
- NGOs' own missions, convictions, and service philosophies and priorities;
 - NGOs' own resources and donations, the use of which is governed by NGOs themselves and wishes of donors;
 - mutual trust, respect and understanding between NGOs and the Government;
 - the programme content, duration and target service recipients (e.g. gender and age) which are largely on the NGOs' own initiative; and
 - for those NGOs which receive subvention, they will have to meet certain service targets and be subject to monitoring. For those which do not, they have a larger degree of flexibility in their operation;
- (g) the current landscape of treatment centres with community participation and a mix of subvented and non-subvented places (as referred to in para. 3.11(a)) represents a balance that offers many advantages, as follows:
- (i) NGOs follow different approaches and philosophies in running treatment services. The diversity of programmes they offer enables drug abusers to choose and receive treatment that may best meet their individual needs;

- (ii) programmes offered by non-subvented NGOs are generally more flexible and apt to respond to the changing drug scene or social needs. Their contribution is also important in mobilising community resources on top of government provision to help unfortunate ones, with little government intervention and bureaucratic rigidities; and
- (iii) subject to the wishes of NGOs concerned, appropriate use of government subvention is also an important tool in suitable circumstances. For examples, this helps:
 - performance monitoring of services recognised to be of quality;
 - assurance of treatment centre places for helping drug abusers instead of those with other social needs; and
 - development of new services to meet a service gap;
- (h) Audit's observations in paragraph 3.11(b) that most of the residential places for PSA treatment were provided by non-subvented centres are a natural result of their fast response to the changing drug scene to best meet the increasing demand of psychotropic substance abusers;
- (i) the Government also plays its part by allocating additional resources. Since the escalated efforts to combat youth drug abuse beginning with the Task Force led by the S for J in 2007-08, the Government has injected new resources to subvent additional places in SWD-subvented and DH-subvented treatment centres (see paras. 3.3 and 3.6);
- (j) it is natural that some of the additional resources are used to convert non-subvented places to subvented places (as quoted in Case 1 in para. 3.9) to reinforce the grounds gained by NGOs to help psychotropic substance abusers, as mentioned in paragraph 3.10 (which also addresses the audit observations in para. 3.11(b) and (c));
- (k) moreover, increase in physical capacity normally requires bigger space/premises or relocation. Physical constraints and local consultations are issues that need to be addressed before new resources can be put in;
- (l) the ND appreciates Audit's reminder that not all 1,635 places were available to drug abusers (see para. 3.11(c)). According to the Ordinance, any facility offering residential places for four or more drug abusers are subject to licensing control. The Administration is keenly aware of the limitations of their availability, such as those highlighted by Audit which the Administration will duly take into account in its overall planning;

- (m) it must be reckoned that in many instances, NGOs are indeed providing residential places to meet multiple social needs according to their own missions and target recipients. Such places are counted towards the 1,635 places only because drug abusers are among their intended clients and the NGOs have agreed to subject these residential places to statutory control relating to treatment centres. Centre 21 in Case 4 (see paras. 4.20 to 4.26) is a case in point. As far as this case is concerned, the ND's understanding is that no drug abuser seeking treatment has been denied a place due to its occupation by a non-drug abuser;
- (n) the Administration also recognises the manpower limitations of some treatment centres (see para. 3.11(c)(ii)), which are a reflection of the diverse nature of the landscape of treatment centres portrayed in (f) above; and
- (o) engaging treatment centres to maximise the use of their existing facilities and assisting them in expanding their capacities, as well as the provision of additional resources to secure subvented places for drug abusers, has been an important part of the Administration's work.

Uneven workloads among treatment centres

3.36 The **Commissioner for Narcotics** has said that:

- (a) the audit recommendation in paragraph 3.32(b) is in line with what the Administration has been pursuing in earnest in recent years;
- (b) possible service gaps are something always close to the heart of the Government. The ND has been making every effort to monitor the changing situations, analyse possible pressure points and pursue new measures to close the gaps as far as possible;
- (c) the situation and analysis reported in paragraphs 3.13 and 3.14 are principally the results of the Government's efforts in recent years. Sustained efforts are in the pipeline to address the problems identified, taking into account the considerations peculiar to the landscape of treatment centres described in paragraph 3.35(f);
- (d) on the supply side, the treatment centres are heterogeneous in terms of their philosophy, treatment programmes and emphasis, targeted clients and programme duration. On the demand side, drug abusers (as assisted by POs where applicable) will choose the centres that they deem are most suitable, in terms of religious background, treatment model, duration of treatment programme, etc. to meet their individual needs. Therefore, a drug abuser cannot be automatically allocated to a centre purely according to vacancies. The suitability of the services offered by different NGOs, on top of the numbers of places on the surface, is an important factor;

- (e) as set out in the Fifth Three-year Plan, the provision of the various T&R services should be further strengthened or upgraded in terms of both capacity and sophistication. As regards treatment centre services, the Fifth Three-year Plan recommended, apart from seeking additional resources to provide more places where justified, the development and advancement of new or proven service models (e.g. short-term residential programmes and programmes with more emphasis on education) that would better address the needs due to the changing drug scene;
- (f) apart from taking measures to increase the number of treatment centre places (especially in centres with high occupancy and for female places), the Administration also pursues other measures, such as the following, to even out the workloads:
 - (i) on the demand side, the SWD is disseminating updated information about occupancy rates of treatment centres and programmes they offer to POs periodically to assist them in their work (see para. 3.30(d));
 - (ii) on the supply side, to better meet the educational needs of school-age centre residents, starting from the school year 2010/11, the EDB has enhanced the level of subvention to educational programmes in treatment centres to around \$460,000 per programme a year (with 10 students in each programme — see Note 21 to para. 3.29(f)), implying about 40% increase as compared to the previous provision. The centres are required to strengthen the structure and design of these programmes and broaden their scope (e.g. vocational elements) to meet the diverse learning and training needs of school-age residents; and
 - (iii) on the supply side, the Administration also continues to focus on centres with lower occupancy rates and solid service capabilities to strive for fuller use of their capacities. For instance, for Centre 1, the Administration is expediting efforts to help SARDA deliver the “Project Youth Care” proposal (see paras. 2.10 and 2.11). For Centre 21 (see para. 3.24), the Administration has been making efforts to encourage it to receive referrals from a wider network. Notably, since obtaining a licence in November 2009 (with an increase of more than 100 places), the centre has been taking up more and more PO referral cases. As at 31 August 2010, among the 62 probationers residing in Centre 21, 35 (56%) were admitted within the past 6 months. The SWD will encourage POs to, where suitable, refer more cases to Centre 21. Nonetheless, the Government must pay due regard to the constraints faced by this non-subvented centre and allow time for it to build up its workload at a pace allowed by its limited manpower and operational experience; and

- (g) the above efforts will continue, following the recommendations made by Audit.

Probationers' waiting time for receiving treatment

3.37 The **Secretary for Labour and Welfare** and the **Director of Social Welfare** have said that:

- (a) in pursuit of the Probation of Offenders Ordinance, POs carry out their legal duties through applying their professional knowledge and skills to advise, assist and keep contact with probationers under their supervision to help them become law-abiding citizens, including giving up their undesirable habits (e.g. abusing drugs). In the course of arranging appropriate drug treatment for the probationers, POs have to pay due regard to the preference of the probationers and that of their parents over the type of treatment programmes (e.g. whether religious model or medical model, and whether with educational programmes), the length of treatment programme, etc. While waiting time for admission is always a factor under consideration, the PO cannot recommend the court to send a probationer aged 14 or above into a treatment centre against his/her own wish;
- (b) it should be noted that about 70% of the placements to treatment centres had been arranged within 2 weeks (see Table 2 in para. 3.22). POs will continue to try their best to arrange probationers to suitable centres;
- (c) the reasons for the uneven allocation of cases and the relatively long waiting period for some of the treatment centres are as follows:
- (i) there had been a rapid increase in the number of young female drug abusers in the past few years. Against this background, the SWD has secured recurrent resources to provide an additional 101 subvented places in 2008, of which 27 are for female drug abusers. However, owing to physical constraints and the fact that the existing female centres already reached their licensing capacities, plus the difficulties in establishing new licensed centres, it remains a challenge to shorten the waiting time (in particular that for female drug abusers);
- (ii) some centres are more popular as they provide relatively comprehensive drug treatment programmes (including both educational and pre-vocational training for young drug abusers) to meet their specific rehabilitation needs; and
- (iii) some other centres are also more popular because they provide flexibility in the duration of treatment programmes, which are most welcomed by probationers;

- (d) the SWD will make joint efforts, in collaboration with the ND and the DH, to reduce the waiting time for treatment centres as far as possible;
- (e) the SWD agrees with the audit observations in paragraphs 3.26 and 3.28 on the long waiting time for treatment centres, which may lead to increasing workloads of POs;
- (f) POs will continue to arrange appropriate community-based drug treatment programmes to assist probationers convicted of drug-related offences while awaiting centre placement; and
- (g) the SWD will continue to encourage POs to take note of the occupancy situation of individual treatment centres before referring probationers to them for admission.

3.38 The **Commissioner for Narcotics** has said that:

- (a) the audit recommendations in paragraph 3.33 are in line with the policy initiatives which the Administration is pursuing;
- (b) the uneven allocation of PO referrals must also be seen against the landscape of treatment centres analysed in paragraph 3.35(f), as well as the POs' professional roles and legal duties to advise, assist and befriend probationers, and to help probationers reform themselves, including (where applicable) giving up their undesirable drug abuse habits;
- (c) from a policy perspective, the ND is pursuing various initiatives to work on the supply side to enhance the capacity and sophistication of treatment centre services (see paras. 3.35 and 3.36);
- (d) the ND will also liaise with the SWD and the DH to help them address the problems from their operational perspectives; and
- (e) in order to help young drug abusers who committed offences, an enhanced probation scheme has been running on a trial basis in two of the seven magistracies since October 2009 (Note 23), with additional resources provided. In such instances, with enhanced attention given to young drug abusers, admission to treatment centres is not a cause for concern. The Administration is keeping a close watch of the effectiveness of the programme for review and consideration of expansion.

Note 23: *Under this enhanced probation scheme (in pilot run for two years), assistance to young drug abusers caught by the law is strengthened in that POs will step up their coordinating and supervisory roles while judicial officers will play an enhanced sanctioning role in the rehabilitative process.*

The Government's information collection and sharing system

3.39 The **Commissioner for Narcotics** has said that:

- (a) the audit recommendation in paragraph 3.32(c) is in line with the policy initiatives which the Administration is pursuing;
- (b) following a recommendation of both the Task Force led by the S for J and the Fifth Three-year Plan, the ND is conducting a final evaluation of the SIS which was participated by five subvented treatment centres. Having regard to the potential merits of the SIS and subject to findings of a final review and necessary adjustments, the ND considers that the SIS should be extended to all other subvented treatment centres and be promoted for voluntary adoption as far as possible by non-subvented centres to facilitate continuous service improvement;
- (c) in its evaluation, the ND noted the vast amount of information/statistics being collected from treatment centres by different departments for different purposes and the different bases in arriving at the information/statistics. The ND also reckoned that drug-related statistics (e.g. admission statistics) were discussed at meetings of ACAN (and its sub-committees) and the Drug Liaison Committee; and
- (d) the ND will review, in collaboration with the SWD, the DH, the EDB and relevant stakeholders, the information required, streamline the information collection procedures, and promote the collection from and the sharing of information among relevant parties.

3.40 The **Secretary for Labour and Welfare** and the **Director of Social Welfare** agree with the audit observations in paragraph 3.30(d).

3.41 The **Director of Health** welcomes the audit recommendation in paragraph 3.32(c) of improving the existing system of information collection from treatment centres to meet the needs of different stakeholders. He has said that the recommendation is in line with what the DH is planning to do together with the ND.

3.42 The **Secretary for Education** also welcomes the audit recommendation of improving the existing information collection and sharing system. He has said that:

- (a) the EDB does not have any information of those people residing in treatment centres who are not participants of any educational programmes; and
- (b) to facilitate the formulation of a more comprehensive picture on the profile of youths concerned, the EDB finds it useful to have information from all the treatment centres (irrespective of their joining the educational programmes or not) in respect of youths undergoing T&R as well as those having completed rehabilitation with readiness to re-join the mainstream schools and those having successfully resumed schooling.

PART 4: TREATMENT CENTRES ON GOVERNMENT SITES/PREMISES

4.1 This PART examines the provision of government sites/premises for the operation of treatment centres.

Treatment centres in operation on government sites/premises

4.2 Many of the existing treatment centres are operated on government sites/premises. Such sites/premises are very often secured by the NGOs through private treaty grants (PTGs) or short term tenancies (STTs) at nominal premiums/rents. In applying for such sites/premises to operate new centres or to re-provision existing ones in order to comply with the licensing requirements, NGOs have to seek the support of the ND and the SWD, which are the sponsoring bureau/department (B/D), before the Lands D or the Government Property Agency (GPA) will consider their applications. An analysis of the 40 centres by nature of sites/premises occupied, with breakdown by subvented and non-subvented centres, is as follows:

Table 4
Sites/premises occupied by 40 treatment centres
(August 2010)

| Site/premises | Number of treatment centres | | |
|---|-----------------------------|---------------|-----------------------|
| | Subvented | Non-subvented | Total |
| (a) Centres operated on government sites/premises | 7 | 9 | 16 (Note 1) |
| (b) Centres operated on premises of the Hong Kong Housing Authority (HA) | 6 | 1 | 7 |
| (c) Centres operated mainly on private lands/properties (with part of the lands, in a few cases, covered by STTs) | 7 | 10 | 17 |
| Total | 20 (Note 2) | 20 | 40 |

Source: SWD records

Note 1: Of these 16 government sites/premises, 12 related to government sites granted by the Lands D (2 involved PTGs and 10 STTs) and 4 related to tenancies with the GPA. Because the treatment centre mentioned in Case 3 (see paras. 4.11 to 4.19) was not recorded in the SWD records and did not appear to have come into operation, the site granted for its operation was not counted.

Note 2: 14 of these 20 treatment centres were subvented by the SWD and 6 by the DH.

4.3 It can be seen that in 23 cases (items (a) and (b) in Table 4), the treatment centres were operating on government (or HA) sites/premises. For most of these cases, rents were set at nominal rate (say, \$1 a year, if demanded) or, if higher rents were required to be paid, the centre operators might have applied for government subsidies. **The land grant/tenancy agreements generally contain a condition that the grantees/tenants have to use the government sites/premises on a scale and/or in all respects to the satisfaction of the sponsoring B/Ds.** In other words, the sponsoring B/D has a role to monitor the scale of operation of centres on government sites/premises, including the commissioning of their operations.

Audit examination

- 4.4 The following areas are examined:
- (a) scale of operation for treatment centres occupying government sites/premises (paras. 4.5 to 4.10);
 - (b) Case 3: Idling of a treatment centre site on Lantau Island (paras. 4.11 to 4.19); and
 - (c) Case 4: Operation of another treatment centre at Shatin (paras. 4.20 to 4.26).

Audit observations and recommendations***Scale of operation for treatment centres occupying government sites/premises***

4.5 In the case of subvented treatment centres, Audit has generally found that the sponsoring B/D (e.g. the SWD) did exercise certain controls on these centres' scale of operation through the Funding and Service Agreements (FSAs) and the licensing requirements under the Ordinance. Through the entering of the FSAs with subvented centres and the subvention system (see para. 3.29(a)), the SWD could monitor the performance of the centres in terms of service output and outcome. As the Controlling Officer of the subventions to 14 centres, the SWD also conducted system and performance audits of such centres. Besides, as the licensing authority, the SWD conducted licensing inspections to check the centres' operations. Each year, the SWD conducts two to three inspections (announced and unannounced) on each centre, including inspections conducted for processing applications submitted by the centres for renewal of licences or CoEs. As part of the inspections, the SWD would record in its inspection reports the numbers of drug abusers and non-drug abusers under treatment in the centres as at the time of inspections.

4.6 However, in the case of non-subvented centres, Audit found that the SWD exercised little control over their scale of operations, as shown below:

- (a) the SWD mainly ensured that non-subvented centres had complied with the licensing requirements under the Ordinance through the conduct of licensing inspections (see para. 4.5). However, the SWD did not take any follow-up actions on any under-utilisation of the centres it identified. Case 4 (see paras. 4.20 to 4.26) is an example of a non-subvented centre which has a large capacity and has scope for enrolling more drug abusers. Another example is Centre 37 which has been operating on an STT since February 2003 (see also Note 16 to para. 3.14). For the seven years ended August 2010, Centre 37 had only admitted six drug abusers, with some staying for just a few days. Although the SWD found in many of its inspections that the centre was shabby and remained closed, it had not taken active actions to follow up and had granted a CoE to the centre each year to facilitate its continued operation;

- (b) although non-subvented centres were required to submit under the CoP monthly drug abuser statistics to the SWD (see para. 3.29(b)), as at August 2010, 14 (70% of 20) non-subvented centres had **not** submitted their drug abuser statistics for 2009. There was no evidence that the SWD had taken active follow-up actions; and
- (c) in the absence of FSAs (see para. 4.5), the SWD could not monitor the performance of non-subvented centres in terms of service output and outcome.

4.7 Audit considers that the SWD needs to monitor the scale of operation for non-subvented treatment centres which occupied government sites/premises, including taking follow-up actions on significant under-utilisation of centres identified, and on non-submission of drug abuser statistics.

4.8 In this connection, Audit noted that another B/D (the EDB) has in place a **Service Agreement/Tenancy Agreement Scheme (SA/TA Scheme)** to ensure the provision of quality education by private schools receiving government infrastructural support (e.g. government sites/premises), and to safeguard the effective use of public resources. Under this scheme, private schools, on allocated government sites/premises, are required to enter into service agreements with the EDB, in addition to the land grant/tenancy agreements with relevant B/Ds as the landlord (e.g. the Lands D, the EDB or the GPA). Such service agreements are co-terminus with the land grant/tenancy agreements. Usually, both the land grant/tenancy agreements and the service agreements cover an initial period of 5 or 10 years, but renewable every five years thereafter subject to the schools being operated to the satisfaction of the EDB. More details are at Appendix D.

4.9 It is understood that treatment centres may be different from schools in various ways. As explained by the SWD in September 2010, there were intrinsic differences between treatment centres and schools, as follows:

- (a) **Service nature.** The operation of treatment centres was not always welcomed by the public and was less attractive to NGOs, when compared with schools;
- (b) **Target population.** Given the statutory enforcement of the Education Ordinance (Cap. 279), it was much easier to project the student population and hence the demand for school places. Compared with schools, it was not so easy to project accurately the demand for treatment centre places, because drug abusers were admitted on a voluntary basis; and
- (c) **Historical development.** The Administration had been taking appropriate measures to help treatment centres which had been operating in good faith long before April 2002 when the licensing scheme came into force. Given the limited number of centres in operation, the Government has been mindful of the need to encourage the non-subvented centres to continue to serve the needy drug abusers.

4.10 **Audit recognises that there may be significant differences in the mode of operation, the demand for places and the services provided by schools and treatment centres. Nonetheless, to ensure the good and effective use of government sites/premises, the SWD needs to devise a suitable monitoring mechanism specifically for treatment centres.**

Case 3: Idling of a treatment centre site on Lantau Island

4.11 In Case 3, a site on Lantau Island had been granted by STT since 1993 to NGO 1 for operating a treatment centre, but the centre did not appear to have come into operation. Audit found that the ND, the SWD and the Lands D had failed to monitor whether the proposed centre had started operation or not.

4.12 **Background.** In January 1993, NGO 1 sought assistance from the then Office of the Members of the Executive and Legislative Councils (OMELCO) to look for a site to set up a treatment centre for male drug abusers. In February 1993, the ND informed OMELCO that it had given support to NGO 1's application for a site in the Islands District. At the same time, a site on Lantau Island was identified by the Lands D. In May 1994, the Lands D formally entered into an STT with NGO 1 (which started receiving subvention from the SWD for its two other treatment centres since 1998) for operating a treatment centre on the Lantau site. The term of the tenancy was "one year certain from first day of October 1993 and thereafter quarterly". Rent was fixed at \$1 a year (if demanded). The tenancy also provided that it might be terminated by either party giving the other at least three calendar months' notice in writing. The Lantau site comprises an area of 1,070 square metres, with ex-school structures of 104 square metres.

4.13 In May 2009, the Lands D conducted a site inspection (because of an enquiry from the ND on the land status of the site). After the inspection, the relevant inspecting officer reported to his supervisor that the site seemed to have been unused for a long time. On 1 June 2009, the Lands D issued a letter to NGO 1 stating that it had come to its attention that the centre had ceased to operate, and asked NGO 1 to confirm within 2 weeks whether the site was still required and, if not, to seek for a voluntary termination of the STT.

4.14 Thereafter, there were exchanges of correspondence between the Lands D and NGO 1, as follows:

| Date | Events |
|----------------------|---|
| (a) 12 June 2009 | In its reply, NGO 1 informed the Lands D that it was actively considering the use of the granted site as a treatment centre in the coming future. It also sought from the Lands D a two-month extension of the deadline for confirming the use of the site. |
| (b) 7 August 2009 | The Lands D informed the ND about the “no use” position of the granted site. On the same day, the ND informed the SWD of the situation. |
| (c) 26 August 2009 | The Lands D issued the second letter to NGO 1 seeking the latter’s confirmation on whether the STT was still required. |
| (d) 8 September 2009 | NGO 1 informed the Lands D by phone that it would furnish a reply to the Lands D after visiting the site. |
| (e) 3 June 2010 | The Lands D issued the third letter to NGO 1 seeking the latter’s confirmation on whether the STT was still required, and marked on record for the case to be brought up for review in 6 months. |
| (f) 26 July 2010 | The Lands D received a letter from NGO 1 indicating that it did not require the STT. |
| (g) 16 August 2010 | The Lands D issued a letter to NGO 1 informing the latter that its notice of terminating the STT effective from 16 October 2010 was accepted. |

4.15 ***Idling of the Lantau site.*** Given that the STT was effective as early as 1993, Audit examined the records of the Lands D, the ND and the SWD, and conducted a site visit to ascertain whether a treatment centre had ever been operated on the Lantau site. Audit found that:

- (a) ***No record of any treatment centre operating on the granted site.*** The ND and the SWD had no records of a treatment centre operating on the Lantau site. In August 1996, in response to an enquiry from the ND, NGO 1 stated that it did not operate any centre on Lantau Island. There was also no evidence that NGO 1 had ever applied to the SWD for setting up a new centre on the granted site and, since April 2002 after the implementation of the Ordinance, no licence/CoE had been issued;

- (b) **Site inspections by Lands D in 1996 and 2009.** One site inspection was conducted in September 1996, two years after the STT was granted. In that inspection, the inspecting officer reported that the granted site remained unchanged since December 1993 when it was handed over to NGO 1. In another site inspection in May 2009 (see para. 4.13), the Lands D again found that the site was abandoned for a long period; and
- (c) **Audit visit in July 2010.** In July 2010, the Lands D accompanied Audit to visit the Lantau site (at which time Audit was not aware that NGO 1 had decided to give up the STT — see para. 4.14(f)). Audit found during the visit (see Photographs 1 to 4) that the site was still abandoned. There had been no significant changes since the last two visits by the Lands D in 1996 and 2009 (see (b) above).

Photographs 1 to 4

Lantau site

1.



Inside view of the premises

(A blackboard, old and broken study tables and chairs were found)

2.



Within the site

(Two structures could not be accessed because the pathway was blocked by tree branches)

3.



Outside view of the premises

(A big spider was on the window)

4.



Another inside view of the premises

(Bookcase, study tables and scattered chairs were all covered with thick dust)

Source: Photographs taken by Audit on 27 July 2010

Remarks: The premises belonged to a school which was closed in 1985. There was still a school grand opening slate on the front wall of the premises. There was also no sign of people living in the vicinity.

4.16 Based on the records of the ND, the SWD and the Lands D, Audit found that on a few occasions, as shown below, the Government could have become aware at an earlier date that the site was idle, but there was inadequate follow-through:

- (a) ***Enquiry from OMELCO.*** As mentioned in paragraph 4.12, NGO 1 sought OMELCO's assistance in January 1993 to look for a site. After some efforts, in April 1993, NGO 1 applied for the Lantau site and in December 1993, the Lands D handed over the site to it. In preparing the STT agreement for the site, the Lands D had also consulted the SWD which raised no objection. In January 1994, OMELCO issued letters to the Lands D and the ND to enquire about the progress of NGO 1's application for the site. In February 1994, the ND informed OMELCO that the Lands D had granted the site by STT to NGO 1, and the new treatment centre would start operation in mid-1994. There was however no follow-up action on the part of the ND and the SWD;
- (b) ***Enforcement of STT conditions.*** The STT agreement contained conditions such as: "The tenant agrees to maintain and keep to the satisfaction of the District Lands Officer the Premises", "All structures within the Premises shall be repaired and maintained to the satisfaction of the District Lands Officer" and "The Tenant shall at his own expense fence the Premises to the satisfaction of the District Lands Officer". There was however no evidence that the Lands D had conducted regular site inspections to ensure that these conditions had been complied with (Note 24). After the site inspection in September 1996 (see para. 4.15(b)), the Lands D simply marked off the inspection result as "No further action". The case was not brought up for review and no further site inspection was conducted until May 2009 when the ND made an enquiry (see para. 4.13);
- (c) ***Enquiry from ND in 1996 not adequately pursued.*** In May 1996, the ND noted from a newsletter received from NGO 1 that there was no mention of a treatment centre on the Lantau site. In response to an enquiry from the ND, the Lands D said that the site was still on lease to NGO 1. NGO 1 also informed the ND that it did not operate any centre on the Lantau site. Nonetheless, the ND took no further follow-up action. It only made another enquiry 13 years later — in 2009 (see para. 4.13); and

Note 24: *As informed by the Lands D in September 2010, the conditions in the STT did not necessarily mean that the District Lands Office concerned would inspect the tenancy area on a regular basis. The Lands D staff would normally inspect STT sites on receipt of complaints or referral from other B/Ds.*

- (d) *Stocktaking exercise before the implementation of the Ordinance.* Before the Ordinance came into effect (April 2002), the SWD had conducted a stocktaking of centres then in place, but the proposed centre on the Lantau site was not brought to light.

4.17 The Administration granted the Lantau site at nominal rent to NGO 1 for the operation of a treatment centre, but did not monitor the use of the site. For 16 years, the granted site had been largely idle. There was no periodic review to ensure that the site was properly used for the purpose intended. As a result, the objective of the land grant had **not** been achieved.

4.18 **The fact that the Lantau site (with an area of 1,070 square metres) has remained idle for years is undesirable, given that in the past few years, many centre operators were making active efforts to re-provision their treatment centres to comply with the licensing requirements under the Ordinance (see para. 5.16), including one NGO which was vigorously looking for vacant school premises to relocate two of its treatment centres on Lantau Island.**

4.19 Audit considers that there was much scope for improvement in the way the Administration handled this case. The Lands D, the ND and the SWD need to draw lessons from the case to prevent recurrence.

Case 4: Operation of another treatment centre at Shatin

4.20 *Granting of site.* Before 1996, NGO 2 (non-subvented) was granted an STT for operating a treatment centre on a temporary housing area in Kowloon. In 1996, the temporary housing area had to be vacated for public housing development. With the joint policy support of the ND and the then Health and Welfare Bureau in 1997, the upper platform of a government site (6,670 square metres) at Shatin was granted in December 1998 by PTG for 50 years to NGO 2 for operating a non-profit-making training and rehabilitation centre for displaced persons — Centre 21. Premium was set at \$1,000 and annual rent at 3% of the rateable value of the site.

4.21 In March 1999, the lower platform of the government site (4,583 square metres) was also granted by STT for “3 years certain and thereafter quarterly” to NGO 2 for use as a recreation ground for the occupants and bona fide visitors of Centre 21. Rent was set at \$1 a year (if demanded).

4.22 In April 2005, NGO 2 formally applied for changing the Conditions of Grant, including an extension of the upper platform PTG to also cover the lower platform. With policy support of the ND and the then Health, Welfare and Food Bureau, NGO 2's application for the PTG extension was approved by the Sha Tin District Lands Conference in October 2005. In February 2007, NGO 2 was formally granted by PTG the lower platform (at \$1,000 premium) as an extension to the upper platform. In short, NGO 2 was granted by PTG a government site (of some 11,000 square metres) described in 1996 by the Director of Lands as "a big site with good accessibility and immediate availability" and one not commonly found. Annual rent was set at 3% of the rateable value of the whole site. More details of the background on Case 4 are at Appendix E.

4.23 Based on SWD records, after completion of the Phase I construction works (Note 25), in December 2001, Centre 21 formally commenced operation. In November 2002, after the Ordinance came into effect, Centre 21 was granted a CoE with an approved licensed capacity of 210 places (Note 26) to continue operation. After completion of the Phase II construction works (Note 25), in November 2009, it was granted a licence under the Ordinance with an approved licensed capacity of 318 (210 + 108) places.

4.24 ***Enforcement of Conditions of Grant.*** With the granting of such a good site to NGO 2 by PTG for the operation of a training and rehabilitation centre, the Government should have exercised proper control (e.g. through a service agreement as mentioned in para. 4.8) to ensure that Centre 21 was operating on a satisfactory scale. However, Audit found that the Government exercised limited control, although it has a partnership relationship with the centre (see para. 3.16). As mentioned in paragraph 4.6, the control was mainly confined to taking measures to ensure that Centre 21 had complied with the licensing requirements under the Ordinance through the conduct of periodic licensing inspections and the submission of drug abuser statistics under the CoP. There was no evidence that the SWD had exercised its regulatory powers under the following three provisions of the Conditions of Grant:

Note 25: *Phase I, completed in 2001, involved the construction of four blocks, whereas Phase II, completed in 2009, involved the construction of two more blocks (including a multi-purpose hall), a swimming pool and a sports field.*

Note 26: *The approved licensed capacity represented the maximum number of drug abusers that Centre 21 could accommodate under the Ordinance.*

| Conditions of Grant | |
|----------------------------|--|
| (a) | <i>Scale of operation.</i> NGO 2 shall commence to operate the whole Centre 21 on a scale satisfactory to the Director of Social Welfare and shall continue to operate Centre 21 on the said scale and in all respects to the satisfaction of the Director of Social Welfare. |
| (b) | <i>Submission of accounts.</i> NGO 2 shall submit to the Director of Social Welfare annually, beginning one year from the opening of Centre 21, a complete statement of the accounts of Centre 21 audited by an auditor approved by the Chief Executive of the Hong Kong Special Administrative Region. Such statement shall be audited and submitted not later than six calendar months from the close of every financial year of Centre 21. |
| (c) | <i>Report on operation.</i> NGO 2 shall submit to the Director of Social Welfare as and when so required by him a report on the operation of Centre 21. |

Source: SWD records

4.25 Audit found that the SWD had **not** enforced the Conditions of Grant, as explained below:

- (a) ***No assessment on scale of operation.*** There was no evidence that the SWD had set criteria (e.g. minimum occupancy rate to be achieved) to assess whether Centre 21 was operating on a satisfactory scale (see para. 4.24(a)). Based on information provided by Centre 21 to the SWD during licensing inspections carried out in the seven years up to June 2010, the centre occupancy ranged from 48 to 169 residents. The residents included drug abusers (all male), non-drug abusers (Note 27) and other people not receiving T&R services (see details at Appendix F). The centre did not employ any paid staff. Instead, it was manned by volunteer staff who served in the centre for training purposes. Based on monthly drug abuser statistics submitted by NGO 2 for the centre, for the three years ended June 2010, the number of drug abusers enrolled ranged from 39 to 76 (see Appendix G). As mentioned in paragraph 3.24, as at 23 April 2010, only 43 (6.6%) of 648 active PO referral cases related to probationers under treatment at Centre 21 (mainly referred by 2 of the 12 probation offices). At a time when some treatment centres were overloaded

Note 27: *According to the SWD inspection reports, such non-drug abusers included people who had behavioural or family problems or were alcoholic dependent.*

(particularly when there was a shortage of female places) and there was waiting time for many PO drug abuser referral cases, the SWD should have monitored the scale of operation of Centre 21 as it had a large licensed capacity (see para. 4.23) and was approved for admitting both male and female drug abusers;

- (b) ***No submission of audited accounts.*** Audit noted that although Centre 21 formally commenced operation in December 2001, NGO 2 had not submitted any audited annual accounts of Centre 21 to the SWD for the purpose of meeting the Conditions of Grant. On the other hand, Audit found that NGO 2 did submit each year, in order to apply for subsidy on rates and government rent (amounting to some \$210,000 in 2008-09), to the SWD audited financial statements of NGO 2 for financial assessment. Because the audited financial statements covered the activities of the whole NGO 2 (without separate audited financial statements for Centre 21), strictly speaking, the Conditions of Grant in paragraph 4.24(b) were not entirely met. The SWD had not taken any follow-up actions in this regard. Furthermore, NGO 2's auditor appears to be closely related to its company secretary (both appointed under the Companies Ordinance — Cap. 32) because the auditor was also the major shareholder (99% shareholding) as well as a director of the company secretary (which was a limited company). This might pose a threat to the independence of the auditor's work. Audit has therefore referred the case to the SWD for follow-up; and
- (c) ***No request for operational reports.*** Centre 21 is a training and rehabilitation centre for displaced persons (male and female). To obtain a full picture of whether Centre 21 was operating on a satisfactory scale, there should be a mechanism for collecting information on all the activities of the centre as indicated by NGO 2 in its land grant application of 1996 (e.g. numbers of drug abusers, street sleepers, the elderly, other displaced persons, helpers, trainees, guests and family members residing in the centre, their purposes and periods of stay in the centre). However, the SWD confined its control to drug abusers only. The SWD had so far **not** exercised its power under the Conditions of Grant (see para. 4.24(c)) to request NGO 2 to submit any reports on Centre 21's operation.

4.26 **Audit considers that the SWD needs to take steps to ensure that the Conditions of Grant are properly enforced. In particular, it needs to explore ways to make effective use of Centre 21's capacity to meet the demand for residential T&R services (such as agreeing with NGO 2 on a minimum occupancy rate to be achieved for Centre 21 and referring more PO drug abuser cases to it).**

Audit recommendations

4.27 **Audit has recommended that the Director of Social Welfare should, in collaboration with the Commissioner for Narcotics and the Director of Lands:**

Scale of operation for treatment centres occupying government sites/premises

- (a) monitor the scale of operation for non-subsided treatment centres on government sites/premises, including taking follow-up actions on significant under-utilisation of centres identified and on non-submission of drug abuser statistics;
- (b) in respect of (a) above, devise a suitable monitoring mechanism specifically for treatment centres, making reference, where appropriate, to the EDB's practices (paras. 4.8 to 4.10 are relevant);

Case 4: Operation of another treatment centre at Shatin

- (c) take proper measures to enforce the Conditions of Grant (e.g. Centre 21 being operated on a satisfactory scale and the submission of audited accounts);
- (d) follow up on the propriety of the NGO 2's appointment of auditor as mentioned in paragraph 4.25(b); and
- (e) explore ways to make effective use of Centre 21's capacity to meet the demand for residential T&R services.

4.28 Regarding Case 3 (paras. 4.11 to 4.19), Audit has *recommended* that the Director of Lands should, in collaboration with the Commissioner for Narcotics and the Director of Social Welfare:

- (a) ascertain the reasons for the failure in detecting the idling site on Lantau Island, and conduct a review to ascertain if there are similar cases;
- (b) draw lessons to prevent recurrence, which may include tightening up the controls to monitor the use of granted sites/premises and making it clear that sponsoring B/Ds need to oversee the operation of the intended activities on government sites/premises; and
- (c) explore alternative uses of the recovered site, including, among others, inviting other NGOs to set up a treatment centre thereon.

Response from the Administration

Scale of operation for treatment centres occupying government sites/premises

4.29 The **Secretary for Labour and Welfare** and the **Director of Social Welfare** have said that:

- (a) the SWD will review the appropriate degree of monitoring over non-subvented treatment centres with due consideration to the following:
 - (i) the exact wording and/or implied meaning of the relevant provisions of the old land grant against the current context;
 - (ii) the physical conditions and operational constraints of the non-subvented treatment centres, especially the manpower and organisational limitations, in the course of encouraging more case admissions; and
 - (iii) the quality control or performance requirements which should be proportionate to the Government's input of public resources; and
- (b) for new treatment centres, the SWD will seek the advice of the ND and the Lands D in setting up an appropriate monitoring mechanism based on the considerations in (a) above, taking into account the intrinsic differences between schools and treatment centres (see para. 4.9).

4.30 The **Commissioner for Narcotics** has said that, taking note of the audit recommendations in paragraph 4.27(a) and (b), the ND will assist the SWD and the Lands D in reviewing the existing cases and working out a better monitoring mechanism on the future granting of government sites/premises to non-subvented treatment centres.

4.31 The **Director of Lands** has said that the Lands D will provide assistance, as necessary, to the SWD on the monitoring of the scale of operation for treatment centres occupying government sites/premises (including Case 4).

Case 3: Idling of a treatment centre site on Lantau Island

4.32 The **Director of Lands** and the **Commissioner for Narcotics** agree with the audit recommendations in paragraph 4.28.

4.33 The **Director of Lands** has said that:

- (a) the Lands D will follow up the recommendations with the relevant parties as appropriate, and in particular, inspect the 12 other treatment centres operated on land grants or STTs (other than the site in Case 3) for signs of idling and seek the SWD's advice on whether the centres have been operated to its satisfaction; and
- (b) the Lands D will consider suitable use of any recovered sites in the same manner as for other vacant government sites, e.g. allocation of the site to other departments for their required use, and letting of the site to the applicant if the application is supported by the relevant B/D.

4.34 The **Commissioner for Narcotics** has said that:

- (a) the ND will provide assistance where appropriate. The SWD has already been working with the Lands D on a stocktaking exercise to prevent recurrence, and no similar omission has been identified;
- (b) the ND was informed by the Lands D in April 2009 of the possible availability of the Lantau site at a meeting when relocation proposals for Centres 28 and 29 were reviewed. Upon receipt of information of the site provided by the Lands D in August 2009 (see para. 4.14(b)), the ND requested the SWD to follow up the case. The view then taken was that the site was too small for the purpose (for a treatment centre with 200 places); and
- (c) the ND's initial observations are that the premises on the Lantau site are in very poor physical conditions (see Photographs 1 to 4 in para. 4.15(c)), very small, and very remote with access difficulties, and the scope for refurbishment/redevelopment into a treatment centre is limited. The ND has understood from NGO 1 that despite possession of the government site since 1994, the many adverse factors and the higher statutory licensing requirements since 2002 have led to its decision to surrender the site.

4.35 The **Director of Social Welfare** has said that:

- (a) the SWD was not aware of the granting of the STT;
- (b) the SWD is ready to join hands in exploring the alternative uses of the recovered site; and
- (c) the SWD has confirmed with the Lands D that no similar cases are found.

Case 4: Operation of another treatment centre at Shatin

4.36 The **Secretary for Labour and Welfare** and the **Director of Social Welfare** have said that:

- (a) the SWD agrees with the audit recommendations in paragraph 4.27(c). The SWD is examining how best to enforce the Conditions of Grant with due regard to the considerations given in paragraph 4.29(a);
- (b) the SWD also agrees with the audit recommendation in paragraph 4.27(d) and will follow up on the propriety of NGO 2's appointment of auditor;
- (c) the SWD welcomes the audit recommendation in paragraph 4.27(e) and will explore with Centre 21, in consultation/collaboration with the ND, on enriching the centre's education and pre-vocational programmes for school-age probationers as well as improving its manpower strength (given that this self-financing centre is currently manned by volunteer staff and hence its manpower constraint problem should be recognised);
- (d) in the past, Centre 21 had only admitted a limited number of PO referral cases. It has started to receive more PO referral cases recently. As at 31 August 2010, of the 62 probationers residing in Centre 21, 35 (56%) were admitted within the past 6 months (see para. 3.36(f)(iii)); and
- (e) the SWD will encourage its POs to, where appropriate, refer more cases to Centre 21. However, with due regard to its constraints (especially on manpower and operational experience), the centre will have to admit residents by phases.

4.37 The **Commissioner for Narcotics** also agrees with the audit recommendations in paragraph 4.27(c) to (e) and will provide assistance. She has said that the government site was allocated to NGO 2 for multiple social welfare purposes, including but not limited to treatment of drug abusers. The ND needs also to defer to policy views of the Labour and Welfare Bureau from a wider social welfare perspective. The new residential block completed in Phase II (providing 108 additional places) was licensed in November 2009 (see para. 4.23). It takes time for Centre 21 to fill up its capacity.

4.38 The **Director of Planning** has said that Centre 21 operated by NGO 2 is considered as a kind of "Social Welfare Facility", which is a permitted use under the existing zoning plan.

PART 5: LICENSING OF TREATMENT CENTRES

5.1 This PART examines the licensing position of the treatment centres.

Licensing scheme introduced since 2002

5.2 The Ordinance came into operation on 1 April 2002. It introduced a statutory licensing scheme for treatment centres to protect the well-being of persons undergoing treatment in these centres and to improve the drug T&R services in Hong Kong.

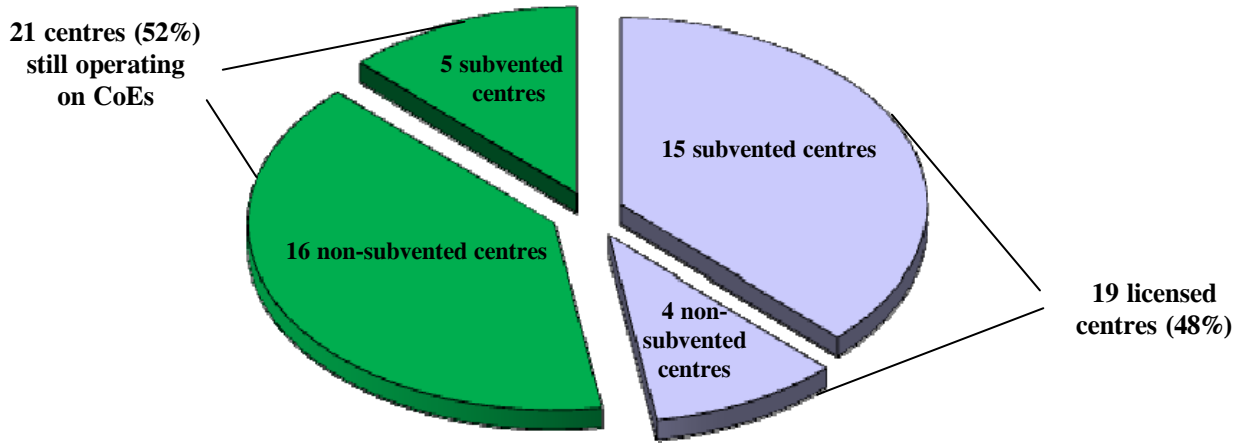
5.3 The Licensing Office under the SWD provides a one-stop service to coordinate efforts with relevant government departments (e.g. the Planning Department, the Lands D and the GPA). Although the Ordinance commenced in April 2002, for treatment centres already in operation, **grace periods of 4 years** were allowed for subvented ones and **8 years** for non-subvented ones. This allowed the centres time to carry out improvement works to meet the licensing requirements. As at April 2002, 47 centres (with a capacity of some 1,800 places) were affected by the licensing scheme. As at August 2010, there were 40 such centres (with a capacity of 1,635 places — Note 28), comprising 20 subvented and 20 non-subvented ones.

5.4 For treatment centres already in operation before the commencement of the Ordinance, but unable to comply with all the licensing requirements, the Ordinance has provided that the Director of Social Welfare may grant them CoEs on an annual basis. Such CoEs will provisionally exempt the centres from licensing and allow them to continue with their operations.

5.5 During the grace periods of 4 and 8 years, all subvented and non-subvented treatment centres were allowed to operate on CoEs which were renewed annually. In the case of subvented centres, the 4 years' grace periods for individual centres lapsed on different days during the period from September 2006 to July 2007 (counting from the date of their respective CoEs first issued). Since the expiry of their grace periods, 10 subvented centres had applied for extensions. **As at August 2010, 5 (of 20) subvented centres were still operating on CoEs.** In the case of non-subvented centres, the 8 years' grace periods would lapse on different days for individual centres during the period from September 2010 to May 2011 (depending on the date of their CoEs first issued). **As at August 2010, 16 (of 20) non-subvented centres were still operating on CoEs.** Six of the centres had applied for extensions to their grace periods which would lapse in late 2010. Figures 2 and 3 show the licensing position of the centres (subvented and non-subvented) as at 31 August 2010.

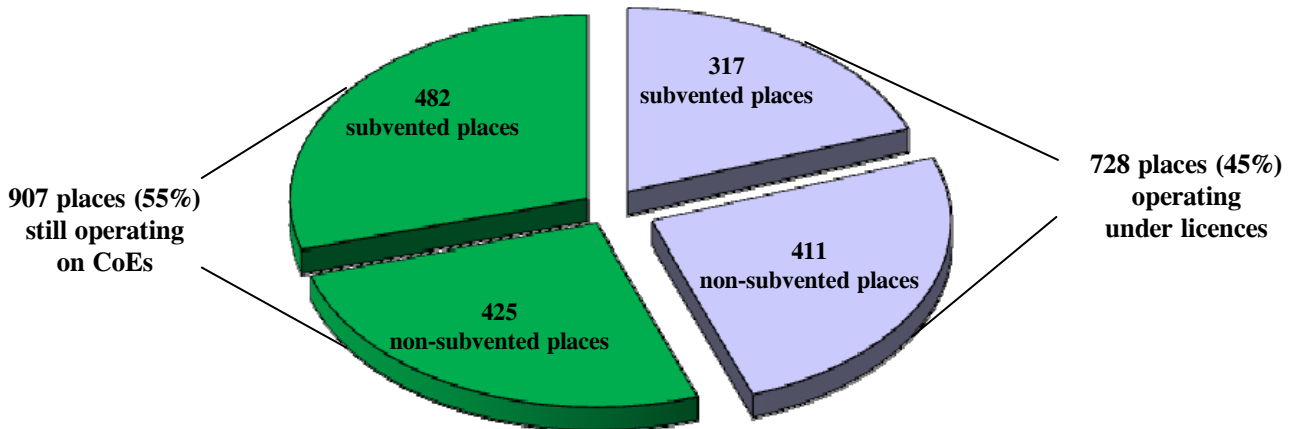
Note 28: *Between April 2002 and August 2010, 9 treatment centres (involving some 300 places) were closed and 2 new centres had been set up.*

Figure 2
Licensing position of 40 treatment centres
(31 August 2010)



Source: SWD records

Figure 3
Licensing position in terms of capacity (1,635 places)
(31 August 2010)



Source: SWD records

Audit observations and recommendations

Need to monitor works progress of treatment centres

5.6 **Reporting of licensing progress to LegCo.** During the passage of the licensing bill in 2001, the Administration assured the LegCo Bills Committee that the Government would provide sufficient assistance to the treatment centres to help them comply with the licensing requirements. Such assistance would include identifying sites for centres in need of new land for re-provisioning of their premises, and seeking support from various funds (such as the Lotteries Fund and the BDF) in giving priority consideration to applications from the centres for upgrading or construction works.

5.7 In June 2006, the Security Bureau reported to the LegCo Panel on Security (Security Panel) that in the course of implementing the licensing scheme, various issues relating to building, planning and land, and funding had surfaced, as detailed below:

| | |
|------------------------------|--|
| (a) Building issues | As some treatment centres were located in New Territories Exempted Houses, these centres had difficulties in complying fully with the current design standards. The Government therefore adopted a pragmatic approach in enforcing building safety requirements. For example, for licensing purpose, centres with structures that did not have design records needed to engage an Authorised Person (AP) or Registered Structural Engineer to assess the structural safety of the structures/buildings concerned. |
| (b) Planning and land issues | As many treatment centres were set up using existing structures then available to them, in some cases, statutory planning requirements had not been met and in-situ upgrading works alone would not be possible to meet the licensing requirements. Under these circumstances, the centre operators would need to re-provision their centres to new sites for continuous operation. Re-provisioning involved not only the identification of vacant government sites/premises suitable for centre development but also consultation with the local communities. |
| (c) Funding issues | To assist the treatment centres in securing funds for the upgrading or construction works to comply with the licensing requirements, the Government had provided policy support to centres to apply for charitable funds. For some centres that were religious in nature and did not accept gambling-related donations, they could apply for grants from charitable funds with no gambling elements or the Special Funding Scheme (SFS) set up under the BDF (see para. 5.27) to cater for their needs. The Government assisted the applicants by giving policy support, facilitating their applications, or processing their applications in a flexible way. |

5.8 In the 2006 paper, the Security Bureau further reported that due to the planning and land issues as well as the funding issues, it was envisaged that some subvented centres would not be able to meet all the licensing requirements before the expiry of the grace periods, and extension of the grace period would be necessary for some of the subvented treatment centres.

5.9 In reviewing the progress reported by the Security Bureau, Security Panel Members expressed concern in 2006 about the licensing of non-subvented treatment centres, which should be even more difficult given their limited resources. The Administration assured the Panel that the Government had been rendering every assistance to these centres to enable them to comply with the licensing requirements.

5.10 *Works progress of treatment centres.* Audit found that during the grace periods of 4 years and 8 years for subvented and non-subvented treatment centres respectively, many centres had not submitted works schedules to the SWD on how they would meet the licensing requirements. They submitted works schedules to the SWD only when they applied for extensions of grace periods.

5.11 As at August 2010, 21 (of 40) treatment centres were still operating on CoEs, comprising 5 subvented and 16 non-subvented centres (see Figure 2). They provided 907 places, representing 55% of the total capacity of 1,635 places available (see Figure 3).

5.12 In the case of the 5 subvented centres still operating on CoEs, they had applied for extensions of their grace periods. Therefore, they had furnished works schedules and submitted annual progress reports to the SWD. According to their works schedules, they estimated that they could meet all the licensing requirements by 2011. However, based on SWD records, there was indication that 1 of these 5 centres had already encountered slippage in its works progress.

5.13 In the case of the 16 non-subvented centres still operating on CoEs, because their grace periods had not expired, most of them had not submitted to the SWD any works schedules or annual progress reports. As at August 2010, only 6 had submitted works schedules because their grace periods were about to expire in late 2010 and they had applied for extensions. The SWD had conducted annual inspections of the 16 centres to review their progress when processing their applications for CoEs and had held, on a need basis, consultation meetings with centre operators (together with relevant technical departments, where appropriate) to discuss the progress. **Given that the grace periods for non-subvented treatment centres would soon expire, the position that the majority of**

these centres were still operating on CoEs is not entirely satisfactory. Except 6 centres, 10 had not set any target dates for meeting the licensing requirements. For 2 of the 6 centres which had submitted works schedules, they had not appointed APs to prepare such schedules. There is reservation on whether the completion targets set in such works schedules without APs' input were realistic.

5.14 **Audit considers that the SWD needs to closely monitor the works progress of treatment centres to ensure that they can meet the licensing requirements as early as possible. There is also a need for the SWD to support non-subvented centres in preparing realistic works schedules.**

Need to address problems faced by treatment centres to meet the licensing requirements

5.15 Audit found that the treatment centres generally faced various problems in meeting the licensing requirements. Common problems included difficulties in: (a) securing suitable sites/premises for re-provisioning; (b) in-situ upgrading; and (c) securing adequate funding.

Problem 1: Difficulties in securing suitable sites/premises for re-provisioning

5.16 As mentioned in paragraph 5.7(b), many treatment centres needed to be re-provisioned in order to meet the licensing requirements. However, re-provisioning was very often a long process. It involved not only the identification of vacant government sites/premises suitable for setting up centres, but also processing of applications seeking planning permissions, consultation with local communities and processing of land grant (including the formulation of PTG/STT agreements). Of the 21 treatment centres still operating on CoEs as at August 2010 (see Figure 2 in para. 5.5), 10 entailed re-provisioning, as detailed below:

| Position as at August 2010 | Number of treatment centres |
|--|-----------------------------|
| (a) Suitable sites not yet identified for re-provisioning | 2* |
| (b) Potential sites identified, but not yet secured (e.g. due to local concerns) | 4* |
| (c) Re-provisioning awaiting clarification of land titles | 2* |
| (d) Site secured, but construction works still in progress | 2 |
| Total | 10 (Note) |

Legend: * There were no firm target dates for complying with the licensing requirements.

Source: SWD records

Note: These comprised 2 subvented and 8 non-subvented treatment centres.

5.17 **District consultation.** District consultation is very often a very protracted exercise. Local communities sometimes object to the setting up of treatment centres in their vicinity. If local objection persists and cannot be resolved, there will be difficulties in granting potential sites.

5.18 Audit however found that there were cases where local residents generally did not object to the setting up of centres in their vicinity. Examples included a treatment centre at Tsing Yi (Centre 12), and another at Tai O (Centre 33). Centre 12 had operated smoothly since its commissioning in October 2009. Centre 33 started operation in December 2009. During the district consultations, its operator had assured the relevant rural committee that the centre would fully respect the local tradition and endeavour to integrate and cooperate with the local community. Besides, two other centres in Cheung Chau were generally accepted by the local residents.

5.19 **Given the rising drug abuse trend, Audit considers that the Administration needs to promote to the communities the important role played by treatment centres (including the dissemination of past successful cases) and call for local support of setting up centres.**

5.20 **Requirement for slope maintenance.** As part of the STTs, treatment centres were very often required to maintain slopes within their sites, but slope maintenance was generally very costly. There were cases where centres did not consider potential sites for re-provisioning because of the need for maintaining slopes within the sites.

5.21 Given the non-profit-making nature of treatment centres, the high cost of slope maintenance might very often constitute a heavy burden to their operations and also restrict the number of potential sites for centre re-provisioning. **Audit considers that the ND needs to explore with the relevant B/Ds the possibility of providing appropriate support and assistance to centres for the necessary slope maintenance works (Note 29).**

5.22 **Site search.** To facilitate site search, the SWD would periodically receive circulation lists of vacant sites/premises from various government departments, such as the Lands D, the GPA and the EDB. When potential sites suitable for re-provisioning were identified, the SWD would refer them to appropriate NGOs for consideration and arrange for the conduct of site visits. Audit found that there was scope for improvement in the SWD's procedures in the site search process, as follows:

- (a) from 2004-05 to 2009-10, some 90 school premises under the EDB's portfolio had become vacant. These vacant sites/premises should have provided good opportunities for re-allocation for alternative uses. However, many of the vacant school premises were not considered for action by the SWD due to reasons such as "legality of existing structures in doubt", "inadequate floor area", "anticipation of local objection" or "proximity to residential area". There was no evidence that the SWD had explored various measures to make use of the sites/premises before giving them up. These included exploring the feasibility of removing the illegal or old structures and constructing new structures on the sites, and conducting preliminary local consultations to assess the residents' response; and
- (b) each year, the SWD receives vast volume of information from other government departments on vacant sites/premises that can be considered for possible welfare use (including the use for operating treatment centres). The SWD however found that many of the sites/premises were not suitable for use as treatment centres, but reasons for rejecting them were not always recorded. In one case, the SWD had taken a long time to arrange potential operators to visit a potential site for re-provisioning of existing centres. In the event, the site was allocated to another department for temporary use (see Case 5 for details):

Note 29: *In August 2010, the SWD informed Audit that the Administration had provided assistance to a non-subvented treatment centre to carry out some minor maintenance works (e.g. clearance of blocked drainage channels) on a dangerous slope within the STT boundary of the centre so as to reduce the risk of immediate collapse. The SWD said that the Administration was considering the inclusion of suitable STT terms to allow the Government to proceed with the investigation and improvement works for slopes.*

Case 5**Long time taken in bidding for a potential site*****Case particulars***

1. In March 2008, the GPA informed the SWD that a government site (with premises) in Kwai Chung had become vacant and was available for other use by NGOs.
2. In April 2008, the SWD visited the site, and requested the GPA to reserve the site for welfare use in June 2008. In September 2008, the SWD informed the GPA that the site was reserved for re-provisioning a treatment centre, but did not provide further information (e.g. anticipated time schedule and details of centre operator) to the GPA for consideration.
3. In February 2009, the SWD informed the ND that the site was apparently suitable for the re-provisioning of an existing treatment centre.
4. In July 2009, the GPA informed the SWD that another government department had expressed interest in bidding the site for short-term use. The SWD requested the GPA to continue reserving the site for possible use as a treatment centre, but still did not provide further information for the GPA's consideration. In the same month, the site was temporarily allocated to another government department for 2 years up to July 2011.
5. In July 2010, the SWD arranged 6 potential operators to visit the site and 4 of them expressed interest in using the site. Up to August 2010, the SWD had not yet decided which operator would take up the site.

Audit comments

6. In this case, after requesting the GPA to reserve the potential site in June 2008, the SWD only arranged a site visit in July 2010. Due to the long time taken, the site was temporarily allocated to another department in July 2009.

Response from SWD

7. While effort was made in September 2008 to reserve the site for re-provisioning of a treatment centre, the SWD had taken some time to arrange a site visit because of many competing priorities and new initiatives to enhance "downstream" support for drug abusers, including, for example, the setting up of two new CCPSAs, the phased allocation of 101 subvented treatment centre places, strengthening the day and overnight outreaching teams, and the provision of on-site medical support services in CCPSAs. Moreover, the reserved site had then been actively considered to be turned into a quarantine camp due to the human swine influenza pandemic in mid-2009.
8. Another factor for the longer lead time taken was that five of the six treatment centres which required site re-provisioning or in-situ upgrading for meeting the licensing requirements were then considering in-situ upgrading or other preferred sites.

Source: SWD records

5.23 It is pleasing to note that with enhanced manpower in 2010, the SWD has stepped up efforts in this regard. It has been actively pursuing an improved record system to document the necessary details of bids for potential sites, in particular the lead time and reasons for rejection. Audit welcomes the SWD's efforts and encourages the SWD to continue with such efforts. Nonetheless, as the identification of suitable sites/premises is very critical to the re-provisioning of treatment centres, the SWD needs to continue exploring how to minimise the lead time in bidding for potential sites.

Problem 2: Difficulties involved in in-situ upgrading

5.24 Many treatment centres were operated using existing structures then available to them, with some accommodated in the older type of village houses or unauthorised structures. In-situ upgrading of these centres to comply with the licensing requirements was sometimes difficult due to a number of factors such as planning and land/lease issues (e.g. unclear land titles, lack of planning permission, or landlord's consent required), presence of unauthorised building works, and other technical issues (such as inadequacy in the width of means of escape). As at August 2010, of the 21 centres still operating on CoEs, 11 entailed in-situ upgrading (3 subvented and 8 non-subvented ones).

5.25 Audit noted that although the Administration had provided technical advice to treatment centres on the in-situ upgrading works required, some non-subvented centres were not keen to carry out the works in order to meet the licensing requirements, and accorded lower priorities to this issue due to one reason or another (such as lack of funds to employ APs). Case 6 is an example. The Administration needs to identify more effective ways to solicit NGOs' cooperation to proceed with the improvement works as early as possible.

Case 6

Lack of motivation in conducting in-situ upgrading works*Case particulars*

1. NGO 3 has operated four non-subvented centres on government sites/premises and HA premises. In August 2004, NGO 3 indicated that it had no significant difficulties in upgrading the four centres to comply with the licensing requirements, but stated that it could not afford employing an AP for the upgrading works required.
2. At several consultation meetings convened by the SWD, NGO 3 was strongly advised to enlist the services of an AP for carrying out the improvement works, and to apply for relevant funds to cover the cost of the works.
3. In various discussions, NGO 3 advised the SWD that it accorded lower priority to meeting the licensing requirements because there were other imminent problems (including inadequate donations and fluctuating admission rates).
4. In May and June 2010, as the grace periods of two treatment centres would soon expire, NGO 3 applied for extensions of grace periods. In its applications, NGO 3 indicated the intention to seek funds and to appoint an AP for the improvement works.

Audit comments

5. Given that some NGOs might not be keen to carry out improvement works, the Administration needs to identify more effective ways to solicit their cooperation to proceed with the improvement works as early as possible.

Source: SWD records

Remarks: In August 2010, the ND informed Audit that from 2002 to 2009, NGO 3 was granted \$1.4 million from two charitable funds to carry out renovation and installation works at its treatment centres. However, up to August 2010, the four centres under NGO 3 still could not fulfil the licensing requirements.

Problem 3: Difficulties in securing adequate funding

5.26 In 2001 (before the Ordinance was implemented), the Administration informed LegCo that some \$104 million would be required for treatment centres to upgrade their building and fire safety standards.

5.27 In 2002, an SFS was established under the BDF with a sum of \$15 million to help treatment centres that might have difficulties in seeking support from other charitable funds to carry out capital works for meeting the minimum statutory licensing requirements. In 2006, an additional \$8 million was injected into the SFS, giving a total funding of \$23 million.

5.28 According to the SWD's estimates in April 2010, all treatment centres operating on CoEs would require a total of about \$180 million for their re-provisioning or upgrading works for meeting the licensing requirements. Up to April 2010, only \$10 million (43% of the earmarked funding of \$23 million) had been granted to five applications under the SFS. The low utilisation of the SFS was due to the following factors:

- (a) **Eligibility.** The SFS was meant to be the last resort of financing source for treatment centres operating on CoEs to carry out capital works to meet the minimum statutory licensing requirements. Therefore, applicants for the SFS should have first demonstrated difficulties in seeking funding support from other sources;
- (b) **Funding limits.** Under the SFS, each treatment centre could only obtain a maximum of \$3 million, while each NGO with two or more centres could obtain a maximum of \$6 million for all its centres. However, the SWD's latest estimates indicated that 13 centres would each require funding of over \$3 million to \$27 million, which would exceed the funding limit of \$3 million for a centre (Note 30). Given the non-profit-making nature of centres, it would be difficult for them to make up the funding shortfall, especially for those NGOs whose religious beliefs made them difficult to accept funding from charitable funds with gambling proceeds as the funding source (e.g. the Lotteries Fund); and
- (c) **Funding for consultancy fee of AP.** Under the SFS, applicants were required to employ APs to prepare the design, project estimates and tender documents, and to supervise the project works. However, the SFS did not fund the AP consultancy fee for preparing the application documents. As a result, some NGOs encountered difficulties in employing APs for the preliminary works. According to the ND, while some treatment centres relied on volunteer APs to prepare technical submissions, the others were not able to do so. In December 2009, one NGO even indicated that the lack of AP consultancy was the main obstacle to proceed with its SFS application. Up to August 2010, the NGO still had not appointed an AP to carry out the necessary upgrading works.

Note 30: For example, one NGO estimated that \$20 million would be required for meeting the licensing requirements in one of its treatment centres. In October 2008, it was granted \$6 million (30% of the total project cost) from the SFS. To make up the shortfall in funding, it raised funds from donations. However, up to January 2010, the NGO could only raise \$0.79 million.

5.29 *Capital injection into the BDF.* In May 2010, the LegCo Finance Committee approved the Security Bureau's proposed injection of \$3 billion into the BDF (see para. 1.9(f)). According to the Security Bureau, the injection would enable the BDF to expand the SFS scope. In the same month, the ND informed ACAN the details of the expanded SFS scope, which included covering the fees for engaging APs to expedite the planning and implementation process, enhancing the service capacity and sophistication of treatment centres, and increasing the maximum level of grant for each application (up to \$50 million).

5.30 Audit welcomes the expansion of the SFS scope, and considers that there is a need to promptly implement the expanded SFS to provide adequate funding support to treatment centres operating on CoEs for meeting the statutory licensing requirements as early as possible.

Audit recommendations

5.31 **Audit has recommended that the Director of Social Welfare should:**

Need to monitor works progress of treatment centres

- (a) **closely monitor the works progress of treatment centres (in liaison with the DH in the case of Centre 1) to ensure that they meet the licensing requirements as early as possible;**
- (b) **support non-subvented treatment centres in preparing realistic works schedules;**

Problem 1: Difficulties in securing suitable sites/premises for re-provisioning

- (c) **explore measures to make use of vacant sites/premises for re-provisioning of treatment centres (such as assessing the feasibility of removing the illegal/old structures and constructing new structures on the sites);**
- (d) **continue with the SWD's efforts in pursuing an improved record system to document the reasons for rejecting vacant sites/premises for use as treatment centres; and**
- (e) **continue with the SWD's efforts, in collaboration with the Commissioner for Narcotics, in reviewing how to minimise the lead time in bidding for potential sites.**

5.32 **Audit has also recommended that the Commissioner for Narcotics and the Director of Social Welfare should:**

Problem 1: Difficulties in securing suitable sites/premises for re-provisioning

- (a) **promote to the communities the important role played by treatment centres (including the dissemination of past successful cases) and call for local support of setting up centres;**
- (b) **consider exploring with the relevant B/Ds the possibility of providing appropriate support and assistance to treatment centres for the necessary slope maintenance works; and**

Problem 2: Difficulties involved in in-situ upgrading

- (c) **identify more effective ways to solicit NGOs' cooperation to proceed with their improvement works as early as possible.**

5.33 **Regarding the capital injection into the BDF (see para. 5.29), Audit has also recommended that the Commissioner for Narcotics should implement the expanded SFS as early as possible.**

Response from the Administration

5.34 **The Director of Social Welfare agrees with the audit recommendations in paragraphs 5.31 and 5.32. The Commissioner for Narcotics also welcomes the audit recommendations in paragraphs 5.31 to 5.33.**

Need to monitor works progress of treatment centres

5.35 **The Director of Social Welfare has said that:**

- (a) **the audit recommendations in paragraph 5.31(a) and (b) are in line with the SWD's current strenuous joint efforts with the ND and other concerned departments to assist treatment centres to meet the licensing requirements. The peculiar landscapes of the centres (see para. 3.35(f)) as well as NGOs' lack of motivation as quoted in Case 6 (see para. 5.25) are relevant; and**
- (b) **to closely monitor the works progress and to identify more effective ways in persuading treatment centres to start improvement works, the SWD will continue the practices of:**

- (i) helping centres to identify possible sites;
- (ii) providing information about appropriate funding;
- (iii) conducting consultation meetings with centres with the presence of other relevant departments;
- (iv) arranging experience-sharing sessions with the presence of other relevant departments;
- (v) updating the reference kit for obtaining the licence;
- (vi) conducting joint inspection with relevant departments to give on-site advice on areas for upgrading/improvement; and
- (vii) making regular collateral contacts and liaisons.

5.36 The **Commissioner for Narcotics** has said that:

- (a) the ND will support the SWD in seeking additional manpower and doubling efforts in working with non-subservent treatment centres to prepare realistic work schedules, among other new initiatives and enhanced anti-drug work entrusted to the SWD. It is suggested that CoEs may only be renewed annually after a proper review of the licensing progress;
- (b) the ND will assist the SWD in working out a better site identification and allocation mechanism, e.g. taking stock of the number of NGOs that need re-provisioning, conducting a site search for the required number of sites and ascertaining their feasibility, conducting a matching exercise in consultation with NGOs, and asking District Officers of the Home Affairs Department to help District Social Welfare Officers and NGOs to undertake informal and then formal local consultations; and
- (c) the Government takes the licensing progress seriously. Rendering full assistance is a recommendation of the Fifth Three-year Plan. Apart from periodic reporting by the SWD to the Drug Liaison Committee and the T&R Sub-committee of ACAN, discussion was escalated to an ACAN meeting in June 2009 to comprehensively review the progress and the government assistance rendered. Directorate officers from the Fire Services Department, the Buildings Department, the Home Affairs Department, the Planning Department and the Lands D were invited to attend the meeting to explain efforts they had made to assist treatment centres and to appeal for their enhanced support for the cause. NGOs and centre operators would be assisted and further motivated to give positive response correspondingly in order to promote the welfare of residents in receiving T&R service in safer and better-equipped treatment centres.

Problem 1: Difficulties in securing suitable sites/premises for re-provisioning

5.37 The **Director of Social Welfare** has said that:

- (a) ongoing **concerted effort** will be pursued with concerned parties, including the necessary cooperation and involvement of treatment centres in shortening the lead time in site searching, screening, bidding and allocation in a transparent and effective way; and
- (b) with the provision of two additional staff effective from October 2010, the SWD will be able to speed up the process of site search, amongst other priorities of anti-drug work.

5.38 The **Commissioner for Narcotics** has said that:

- (a) the audit recommendations in paragraph 5.32(a) and (b) are in line with the policy initiatives which the Administration is pursuing;
- (b) the ND will assist the SWD in working out a better site identification and allocation mechanism (see paras. 5.35(b) and 5.36(b));
- (c) promotion to the communities on the important role played by treatment centres (including the dissemination of past successful cases) is part of the strategy which the Administration is pursuing, as is evidenced in the recent consultation on the proposal for re-provisioning two centres (see para. 3.6);
- (d) as set out in the “Checklist for Drug Dependent Persons Treatment and Rehabilitation Centre for Obtaining a Licence”, the necessary procedures for securing a site/premises require the specified operator to get consent from local community through consultation together with the government departments concerned. NGOs, as the project proponent, have an important role to play in district consultation;
- (e) the ND welcomes Audit’s recommendation on slope maintenance (see para. 5.32(b)) and sympathetic remarks. The Government has been assisting treatment centres in undertaking necessary slope maintenance works wherever feasible. For example:
 - (i) the Administration is undertaking slope maintenance works of both man-made and natural slopes behind Centres 28 and 29;
 - (ii) as quoted in Note 29 to paragraph 5.21, the Administration has offered assistance to a non-subsided centre in slope maintenance works. The ND has coordinated with the B/Ds concerned to review the relevant STT

conditions with a view to allowing the Government to carry out the investigation and improvement works; and

- (iii) subvented NGOs can apply for government funding for slope maintenance works under a block vote for slope-related capital works for subvented organisations (other than education and medical subventions), subject to a maximum expenditure ceiling of not more than \$21 million for each project. Centre 1 is one of the beneficiaries; and
- (f) the ND will continue to coordinate departmental efforts to render assistance where appropriate.

Problem 2: Difficulties involved in in-situ upgrading

5.39 The **Commissioner for Narcotics** has said that:

- (a) the audit recommendation in paragraph 5.32(c) is in line with the policy initiatives which the Administration is pursuing;
- (b) in drawing up the framework and details of the expanded SFS, subject to the BDF Governing Committee's deliberations, the ND plans to allow treatment centres to use the funding to undertake technical feasibility studies (before taking forward a works project), commission APs, and employ project coordinators; and
- (c) the ND is also mobilising community support for treatment centres through the "Path Builders" initiative (Note 31), including inviting professionals to help in works project on a pro bono basis.

5.40 The **Director of Social Welfare** agrees with the audit observations concerning NGO 3 in Case 6 (see para. 5.25) and other NGOs' lack of motivation which have rendered the progress of site search, funding application and in-situ upgrading or re-provisioning work less than satisfactory. He has said that continuous assistance and effort would be pursued to motivate NGOs and centre operators to take more positive action to tie in with the Administration's intensified effort.

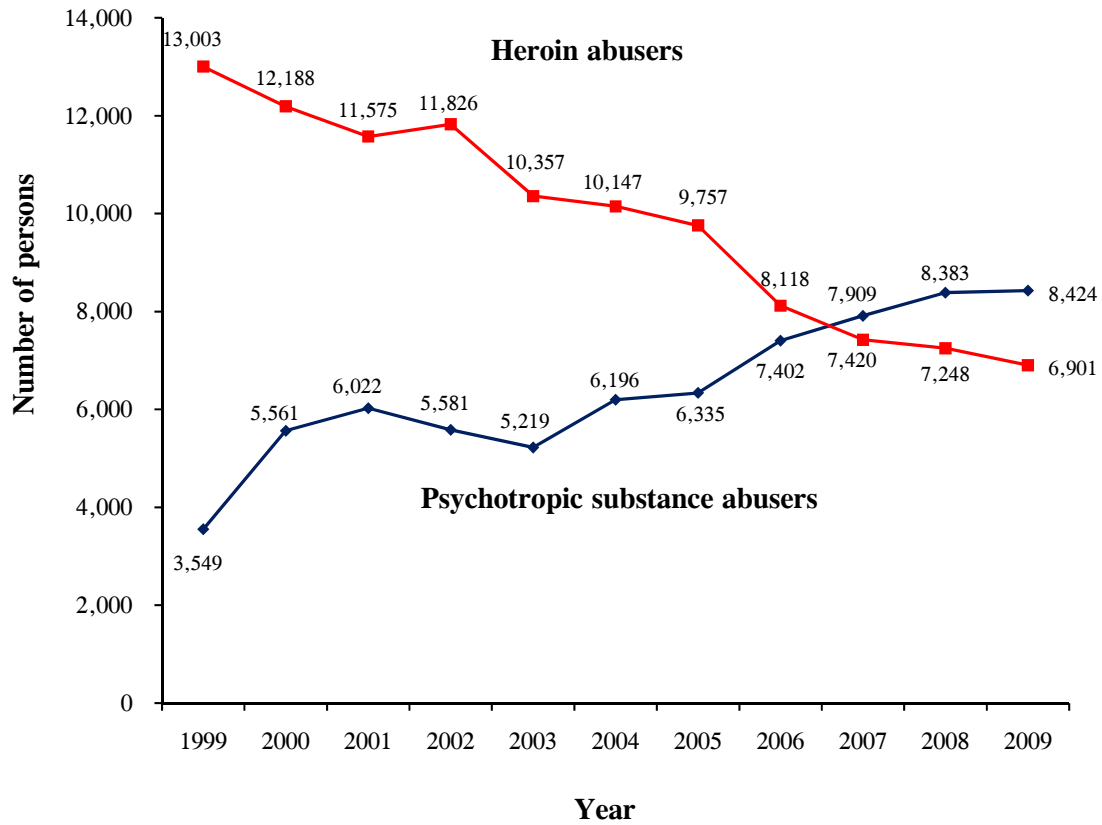
Note 31: *"Path Builders" is a youth care initiative launched in September 2008 by the Government and ACAN to mobilise the whole community to foster a drug-free and caring culture. Under this initiative, contributions from the community may take various forms. For example, commercial organisations can offer visit opportunities, training places, internships or job opportunities to young people.*

Problem 3: Difficulties in securing adequate funding

5.41 The **Commissioner for Narcotics** has said that:

- (a) the audit recommendation in paragraph 5.33 is in line with the policy initiatives which the Administration is pursuing; and
- (b) the ND is drawing up details of the expanded SFS (including the funding scope, vetting and funding procedures, monitoring and control mechanisms) based on the framework supported by ACAN in May 2010 (see para. 5.29). Necessary consultation will be made with the government departments concerned, ACAN, the Drug Liaison Committee and treatment centre operators.

**Trend of reported heroin and psychotropic substance abusers in Hong Kong
(1999-2009)**



Source: Narcotics Division records

Recommendations of Task Force led by Secretary for Justice on Youth Drug Abuse

In its Report of November 2008, the Task Force led by the S for J made the following major recommendations on T&R (recommendations relevant to treatment centres are in bold):

- (a) strengthening the school social work service to complement the overall enhancement of anti-drug efforts in the school sector;
- (b) strengthening the manpower of the outreaching service to meet an acute service need;
- (c) strengthening the outreaching service to enhance early identification and engagement of youth at risk to render immediate intervention;
- (d) enhancing CCPSAs' collaboration with relevant services in the community for anti-drug preventive education and T&R, and setting up two additional CCPSAs as soon as possible;
- (e) **providing additional places at SWD-subsented treatment centres to meet the anticipated increase in the residential service demand downstream;**
- (f) providing designated medical social workers at SACs to service the rising number of psychiatric attendances by drug abusers;
- (g) providing medical support services at CCPSAs to enable timely and early medical intervention to drug abusers who require elementary but not yet specialist medical treatment at SACs;
- (h) setting up two new SACs to meet an imminent service need, and strengthening the service capacity of SACs and their support in education and training to frontline staff in anti-drug agencies;
- (i) **providing structured training programmes for anti-drug workers in the light of demand and the changing drug scene;**
- (j) **educating the public about accepting rehabilitated drug abusers and appealing to different sectors of the community for support;**

- (k) **exploring measures to enhance the re-integration elements of the T&R programmes and to promote and solicit community and family support;**
- (l) **monitoring the re-engineering pace of T&R programmes to meet the increasing needs of psychotropic substance abusers;**
- (m) **ensuring appropriate allocation of anti-drug resource to meet the changing demand, including the review of the resources allocated to methadone treatment programme and SARDA targeting heroin abusers; and**
- (n) **monitoring the demand for “downstream” services for psychotropic substance abusers over time, seeking appropriate provision for efficient and effective programmes, and encouraging the development of non-subsented services that are of good quality.**

Source: Report of the Task Force led by the S for J on Youth Drug Abuse

Occupancy position of treatment centres
(January 2009 to June 2010)

| Treatment centre | Licensed capacity (Number of places) | | SWD inspections (Note) | | | |
|---------------------|---|-----------|--|--|--------------------------|--|
| | Male | Female | Average number of drug abusers enrolled (b) | Average number of non-drug abusers enrolled (c) | Total (d) = (b) + (c) | Average occupancy rate (e) = $\frac{(d)}{(a)} \times 100\%$ |
| | (a) | | | | | |
| Centre 1 | 316 | — | 203 | 0 | 203 | 64% |
| Centre 2 | 20 | — | 20 | 0 | 20 | 100% |
| Centre 3 | — | 42 | 40 | 0 | 40 | 95% |
| Centre 4 | — | 24 | 24 | 0 | 24 | 100% |
| Centre 5 | 20 | — | 17 | 0 | 17 | 85% |
| Centre 6 | 20 | — | 18 | 0 | 18 | 90% |
| Centre 7 | 18 | — | 14 | 0 | 14 | 78% |
| Centre 8 | — | 16 | 14 | 0 | 14 | 88% |
| Centre 9 | — | 24 | 20 | 0 | 20 | 83% |
| Centre 10 | — | 25 | 15 | 0 | 15 | 60% |
| Centre 11 | 50 | — | 34 | 0 | 34 | 68% |
| Centre 12 | — | 12 | 11 | 0 | 11 | 92% |
| Centre 13 | 16 | — | 6 | 0 | 6 | 38% |
| Centre 14 | | | | | | |
| (Before Sept. 2009) | 76 | — | 75 | 0 | 75 | 99% |
| (Since Sept. 2009) | 88 | — | 80 | 0 | 80 | 91% |
| Centre 15 | 12 | — | 12 | 0 | 12 | 100% |
| Centre 16 | — | 10 | 7 | 2 | 9 | 90% |
| Centre 17 | 34 | — | 18 | 0 | 18 | 53% |
| Centre 18 | 40 | — | 29 | 0 | 29 | 73% |
| Centre 19 | 24 | — | 20 | 0 | 20 | 83% |
| Centre 20 | 24 | — | 19 | 0 | 19 | 79% |
| Centre 21 | | | | | | |
| (Before Nov. 2009) | 210 | | 57 | 48 | 105 | 50% |
| (Since Nov. 2009) | 318 | | 73 | 38 | 111 | 35% |

Appendix C
(Cont'd)
(paras. 3.14 and 3.15 refer)

| Treatment centre | Licensed capacity (Number of places) | | SWD inspections (Note) | | | |
|------------------|---|-----------|---|---|--------------------------|--|
| | Male | Female | Average number of drug abusers enrolled | Average number of non-drug abusers enrolled | Total (d) = (b) + (c) | Average occupancy rate (e) = $\frac{(d)}{(a)} \times 100\%$ |
| | (a) | | | | | |
| Centre 22 | — | 13 | 7 | 2 | 9 | 69% |
| Centre 23 | 40 | — | 30 | 1 | 31 | 78% |
| Centre 24 | — | 12 | 10 | 0 | 10 | 83% |
| Centre 25 | 20 | — | 2 | 0 | 2 | 10% |
| Centre 26 | 50 | — | 20 | 0 | 20 | 40% |
| Centre 27 | 20 | — | 10 | 0 | 10 | 50% |
| Centre 28 | 50 | — | 51 | 23 | 74 | 148% |
| Centre 29 | — | 14 | 16 | 1 | 17 | 121% |
| Centre 30 | 40 | — | 19 | 5 | 24 | 60% |
| Centre 31 | — | 20 | 7 | 1 | 8 | 40% |
| Centre 32 | 24 | — | 4 | 0 | 4 | 17% |
| Centre 33 | 18 | — | 2 | 0 | 2 | 11% |
| Centre 34 | 24 | — | 8 | 6 | 14 | 58% |
| Centre 35 | 20 | — | 20 | 0 | 20 | 100% |
| Centre 36 | 20 | — | 6 | 0 | 6 | 30% |
| Centre 37 | 20 | — | 0 | 0 | 0 | 0% |
| Centre 38 | 30 | — | 28 | 0 | 28 | 93% |
| Centre 39 | 19 | — | 13 | 0 | 13 | 68% |
| Centre 40 | 16 | — | 13 | 0 | 13 | 81% |

Legend: ■ Treatment centres with average occupancy rates of 100% or over.
■ Treatment centres with average occupancy rate less than 20%.

Source: SWD inspection reports

Note: The average number of drug abusers/non-drug abusers enrolled and the average occupancy rate represented the average of the “snapshot” positions reported by the treatment centres to the SWD at the time of the various licensing inspections conducted during January 2009 to June 2010.

Service Agreement/Tenancy Agreement Scheme by Education Bureau

1. The EDB has in place the SA/TA Scheme since 1999. Government land and premises are normally allocated to school sponsoring bodies on a competitive basis through a School Allocation Exercise. Eligible school operators can apply for school sites/premises to run the designated types of schools. School sponsoring bodies have to enter into service agreements with the EDB. In addition, they are required to enter into land grant or tenancy agreements in relation to the allocated government land or premises with relevant B/Ds as the landlord (e.g. the Lands D, the EDB or the GPA). Premium or annual rent for the allocated government land or premises is usually set at a nominal amount. The service agreement signed between the EDB and the school sponsoring body should be co-terminus with the land grant/tenancy agreement. Subject to the school being operated to the satisfaction of the EDB, the relevant service agreement and the land grant/tenancy agreement are renewable for successive fixed periods of time (i.e. every 5 years).

2. The service agreements entered into by the school sponsoring bodies with the EDB usually contain key terms and conditions that govern the operation of a school, which may include:

- (a) a requirement for the school to start operation on the date specified by the Government;
- (b) a requirement for the school operator to submit a school development plan for the Government's approval;
- (c) a requirement for the school operator to operate the school in accordance with the approved school development plan, achieve the performance targets set in the plan and admit students in accordance with the criteria laid down in the plan;
- (d) a mechanism that allows the Government to conduct reviews at any time to ensure the quality of education provided at the school, and compliance with the school development plan and the service agreement; and
- (e) a requirement to submit to the Government annually the audited statement of accounts of the school.

Source: EDB records

Case 4: Granting of a government site by private treaty grant

1. In December 1998, the upper platform of a government site at Shatin (6,670 square metres) was granted by PTG for 50 years, at a premium of \$1,000, to NGO 2 (non-subvented) for operating a training and rehabilitation centre for displaced persons (male and female) — **Centre 21**. The maximum and minimum plot ratios were set at 1.4 and 0.89 respectively. Annual rent was fixed at 3% of the rateable value of the site, subject to a minimum rent of \$1 a year (if demanded). According to the SWD records, before the granting of this site, NGO 2 had been operating a treatment centre on a temporary housing area in Kowloon (secured by STT), which mainly served as a halfway house for the detoxified drug abusers and partly used as a temporary shelter or drop-in facilities for street sleepers, prostitutes, elderly and youth at risk. This temporary housing area was vacated for public housing development in 1996.

2. In March 1999, the lower platform of the government site (4,583 square metres) was also granted by STT for “3 years certain and thereafter quarterly” to NGO 2 for use as a recreation ground for the occupants and bona fide visitors of Centre 21. Rent was set at \$1 a year (if demanded).

3. In April 2005, NGO 2 formally applied for changing the Conditions of Grant, including an extension of the PTG for the upper platform to cover the lower platform. To support the changes, NGO 2 put forward the reasons that the proposal it made in its land grant application in 1996 to the Government (with all structures to be built on the upper platform) would cause a “negative visual impact” to the upper platform residents, and the proposal needed to be revised, including relocating a multi-purpose hall of about 572 square metres (to support indoor sports activities and to facilitate large meetings) originally planned to be constructed on the upper platform to the lower platform. As such, a permanent land grant of the lower platform was required.

4. With the extension of the PTG to cover both the upper and lower platforms, the plot ratio for the government site would become 0.52 which was then considered low by both the Lands D and the Planning Department. Notwithstanding this, because policy support had been given by the ND and the then Health, Welfare and Food Bureau, NGO 2’s application for extending the PTG to cover the lower platform was approved by the Sha Tin District Lands Conference in October 2005.

5. In February 2007, NGO 2 was formally granted by PTG the lower platform, at a premium of \$1,000, as an extension to the upper platform. In short, NGO 2 was granted by PTG the upper and lower platforms (involving a total of some 11,000 square metres) for operating Centre 21. Annual rent was fixed at 3% of the rateable value of the whole site.

Source: SWD records

Utilisation of Centre 21
(September 2003 to June 2010)

| Inspection date | Licensed capacity (Note 1) (a) (No.) | Residents | | | Total (e) = (b) + (c) + (d) (No.) |
|-----------------|---|--|--|---|---|
| | | Drug abusers (Note 2) (b) (No.) | Non-drug abusers (Note 3) (c) (No.) | People not receiving T&R services (Note 4) (d) (No.) | |
| 18-9-2003 | 210 | 46 | 2 | ↑ Not recorded ↓ | 48 |
| 6-9-2004 | 210 | 70 | 90 | | 160 |
| 16-8-2005 | 210 | 52 | 45 | | 97 |
| 7-9-2005 | 210 | 53 | 35 | | 88 |
| 27-3-2006 | 210 | 63 | 23 | | 86 |
| 3-8-2006 | 210 | 76 | 32 | | 108 |
| 20-9-2006 | 210 | 72 | 97 | | 169 |
| 10-1-2007 | 210 | 75 | 28 | | 103 |
| 26-6-2007 | 210 | 61 | 27 | | 88 |
| 20-9-2007 | 210 | 60 | 25 | | 18 |
| 16-1-2008 | 210 | 58 | 38 | 18 | 114 |
| 22-9-2008 | 210 | 49 | 50 | 0 | 99 |
| 25-2-2009 | 210 | 61 | 50 | 56 | 167 |
| 14-7-2009 | 210 | 53 | 45 | 0 | 98 |
| 18-12-2009 | 318 | 74 | 34 | 0 | 108 |
| 29-6-2010 | 318 | 72 | 41 | 24 | 137 |

Source: SWD inspection reports

Note 1: In November 2002, Centre 21 was granted an approved licensed capacity of 210 places, which was increased to 318 places in November 2009 (see para. 4.23). The approved licensed capacity represented the maximum number of drug abusers (male and female) that Centre 21 could accommodate under the Ordinance. Other than the licence issued under the Ordinance, Centre 21 did not hold any other licences administered by the SWD.

Note 2: These represented the number of drug abusers (all male) under treatment in the centre at the time when the SWD conducted its licensing inspections.

Note 3: These included residents who had behavioural or family problems or were alcoholic dependent.

Note 4: There was no information on such other people residing in the centre.

Appendix G
(para. 4.25(a) refers)

**Monthly drug abuser statistics of Centre 21
(July 2007 to June 2010)**

| Month | 2007 | | | 2008 | | | 2009 | | | 2010 | | |
|-----------|-------------------|------------------------------|------------------------------------|-------------------|------------------------------|------------------------------------|-------------------|------------------------------|------------------------------------|-------------------|------------------------------|------------------------------------|
| | Licensed capacity | Drug abusers at end of month | Rate of placement occupancy (Note) | Licensed capacity | Drug abusers at end of month | Rate of placement occupancy (Note) | Licensed capacity | Drug abusers at end of month | Rate of placement occupancy (Note) | Licensed capacity | Drug abusers at end of month | Rate of placement occupancy (Note) |
| | (No.) | (No.) | | (No.) | (No.) | | (No.) | (No.) | | (No.) | (No.) | |
| January | / | | | 210 | 50 | 24.0% | 210 | 59 | 28.2% | 318 | 73 | 22.4% |
| February | | | | 210 | 54 | 24.4% | 210 | 63 | 29.1% | 318 | 74 | 22.0% |
| March | | | | 210 | 61 | 28.3% | 210 | 76 | 35.1% | 318 | 74 | 22.0% |
| April | | | | 210 | 65 | 30.2% | 210 | 69 | 34.0% | 318 | 72 | 21.3% |
| May | | | | 210 | 61 | 30.8% | 210 | 74 | 32.2% | 318 | 71 | 22.5% |
| June | | | | 210 | 65 | 30.9% | 210 | 70 | 32.1% | 318 | 72 | 21.0% |
| July | 210 | 51 | 24.8% | 210 | 58 | 30.5% | 210 | 64 | 31.5% | / | | |
| August | 210 | 48 | 23.7% | 210 | 46 | 25.7% | 210 | 60 | 27.4% | | | |
| September | 210 | 52 | 24.5% | 210 | 49 | 23.1% | 210 | 67 | 28.0% | | | |
| October | 210 | 39 | 21.3% | 210 | 51 | 24.7% | 210 | 72 | 31.5% | | | |
| November | 210 | 45 | 20.6% | 210 | 54 | 25.8% | 318 | 70 | 22.3% | | | |
| December | 210 | 51 | 23.5% | 210 | 58 | 27.4% | 318 | 72 | 22.2% | | | |

Source: Submissions by NGO 2 to SWD under CoP

Note: Rate of placement occupancy =
(Sum of daily number of drug abusers enrolled / (Licensed capacity × Number of operating days)) × 100%

Acronyms and abbreviations

| | |
|---------|--|
| ACAN | Action Committee Against Narcotics |
| AP | Authorised Person |
| Audit | Audit Commission |
| B/D | Bureau/Department |
| BDF | Beat Drugs Fund |
| CCPSAs | Counselling centres for psychotropic substance abusers |
| CoEs | Certificates of Exemption |
| CoP | Code of Practice |
| CRDA | Central Registry of Drug Abuse |
| DH | Department of Health |
| EDB | Education Bureau |
| EU | Efficiency Unit |
| FSAs | Funding and Service Agreements |
| GPA | Government Property Agency |
| HA | Hong Kong Housing Authority |
| Lands D | Lands Department |
| LegCo | Legislative Council |

Appendix H
(Cont'd)

| | |
|--------------|---|
| ND | Narcotics Division |
| NGOs | Non-governmental organisations |
| OMELCO | Office of the Members of the Executive and Legislative Councils |
| PAC | Public Accounts Committee |
| POs | Probation officers |
| PSA | Psychotropic substance abuse |
| PTGs | Private treaty grants |
| SACs | Substance abuse clinics |
| SARDA | The Society for the Aid and Rehabilitation of Drug Abusers |
| SA/TA Scheme | Service Agreement/Tenancy Agreement Scheme |
| S for J | Secretary for Justice |
| SFS | Special Funding Scheme |
| SIS | Service Information System |
| STTs | Short term tenancies |
| SWD | Social Welfare Department |
| T&R | Treatment and rehabilitation |