Speaking Notes for S for S at the Special FC Meeting on 1 April 2008

Chairman,

• In the draft Estimates for the new financial year (2008/2009), the allocation on the security policy area group is \$28.4 billion, representing 9.1% of the total government expenditure. The two policy areas of Internal Security and Immigration Control under my responsibility will account for \$24.7 billion.

Law and Order

- In 2007, the overall crime figure registered a mild decrease of 0.4% while the violent crime figure slightly increased by 0.6% as compared with 2006. Despite the increase in the violent crime figure, the number of many serious crimes including burglaries, blackmail, bank robbery, robberies as a whole and homicide decreased. Overall speaking, the law and order situation has remained stable but the Police will as always remain alert and vigilant.
- The major operational targets of the Commissioner of Police for 2008 include combating violent crimes, triad activities, "quick-cash" crimes, terrorism, trafficking and abuse of dangerous drugs, offences related to visitors and illegal immigrants, and road safety. And in view of the 2008 Olympic and Paralympic Equestrian Events, the Police will adopt a multi-agency approach and an effective operational strategy to manage the equestrian events and develop appropriate contingency plans, to ensure the smooth running of the events while at the same time maintaining effective day-to-day police service.
- Since the 911 incident, terrorist activities occurred throughout the world from time to time. Facing the changing international security situation, Hong Kong should remain vigilant and get prepared and equipped for possible emergency situations by enhancing its anti-terrorist capability and resources, and maintaining a good grasp

of the developing situation. For this, the Police will provide additional manpower to set up a dedicated financial intelligence team for the fight against terrorist financing and the financing of weapons of mass destruction, as well as to enhance liaison, cooperation and intelligence exchange with the consular posts officially-recognized representatives in Hong Kong. On the other hand, the Police will also provide additional front-line staff to strengthen the operational capability in new development areas. These measures would not only provide greater protection to Hong Kong citizens in respect of personal safety, but would also increase the trust of the consular community as well as foreign investors and travellers in the security of the territory.

Immigration Control/ Customs Services

- We will continue to improve our services through the use of information technology. The Immigration Department is preparing to extend the e-Channel facilities at the airport to frequent visitors on a trial basis from the second quarter of 2008.
- Since its implementation in July 2003, the Individual Visit Scheme (IVS) has been extended gradually and currently covers 49 Mainland cities¹. Over the years, more than 27 million Mainland residents have visited Hong Kong under the Scheme, bringing considerable benefits to the tourism, retail and related sectors. The Government will continue to ensure corresponding measures to facilitate entry of IVS visitors, such as the smooth operation of control points.
- On the entry of talent, Hong Kong admitted more than 34 000 talent and professionals through various relevant admission arrangements in 2007, marking an increase by nearly twofold over 2003.
- Under the Capital Investment Entrant Scheme introduced in October 2003, up to 1 March 2008, 1 963 applicants have been granted formal approval for residence in Hong Kong. Their total investment

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¹ 21 cities in Guangdong, Beijing, Shanghai, Fuzhou (urban area only), Xiamen, Chuenzhou, Nanjing, Suzhou, Wuxi, Hangzhou, Ningbo, Toizhou, Chongqing, Tianjin, Shenyang, Dalian, Chengdu, Jinan, Nanning, Nanchang, Changsha, Haikou, Guiyang, Kunming, Shijiazhuang, Zhengzhou, Changchun, Hefei and Wuhan.

reaches some HK\$13.95 billion, or on average HK\$7.11 million per entrant which exceeds the minimum requisite amount of HK\$6.5 million.

- Moreover, the Quality Migrant Admission Scheme was introduced in June 2006. Pursuant to a review conducted in mid 2007, adjustments to the scheme were introduced in January 2008. So far, 398 places have been allotted to applicants from a wide array of professions.
- In cope with the commissioning of Shenzhen Bay Control Point and Lok Ma Chau Spur Line Control Point, the Immigration Department recruited 480 new staff in the last fiscal year. In 2008/09, the Immigration Department will further create 48 new posts to cope with the rapidly increasing number of visitors and facilitate entry of professionals and talent. The Immigration Department will continue to pursue efficient use of existing resources in future through flexible redeployment, greater use of information technology and streamlining of procedures, with a view to delivering high quality services to the public and visitors.

Public Safety

- To further enhance the fire safety standards of pre-1987 composite and domestic buildings, we will pragmatically enforce the Fire Safety (Buildings) Ordinance, which commenced operation on 1 July 2007. We will continue to inspect and enhance the fire safety measures of those buildings in phases, render appropriate financial and technical assistance to the concerned property owners in collaboration with relevant government departments and public agency, and assist those owners in carrying out the necessary fire safety improvement works. At the same time, we will step up the inspection of fire service installations and ventilation systems of new buildings, on a random sampling basis, to ensure the fire safety of these buildings.
- As regards the emergency ambulance service, we have already strengthened our publicity efforts to encourage its appropriate use. We will continue to study the feasibility of introducing the ambulance priority dispatch system in Hong Kong to ensure that those in genuine need could be better taken care of. We will also continue to review the resources for emergency ambulance service.

Custody and Rehabilitation of Offenders

- CSD has been implementing a series of measures to address the problems of outdated penal facilities and overcrowding in some of our penal institutions. The new Lo Wu Correctional Institutions are expected to commence operation in 2010, providing about 1 400 penal places. We will continue to consider other possibilities, including the option of redeveloping the existing institutions at Chi Ma Wan, to address the problems of outdated penal facilities and overcrowding in some of our penal institutions.
- We will continue to work in partnership with various sectors of the community to help rehabilitated offenders re-integrate into society. To appeal for community acceptance and support for rehabilitated offenders, public education and publicity activities will be organised. In addition, CSD will continue to take forward the Risks and Needs Assessment and Management Protocol for Offenders to improve the management and rehabilitation of offenders.

Countering the Menace of Drugs

• We are very concerned about the drug abuse problem, in particular psychotropic substance abuse among the youth. Following in-depth studies of the problem over the past few months, the Task Force on Youth Drug Abuse led by the Secretary of Justice has devised a series of initial measures that can be implemented in the short to medium term. This will account for about \$53 million of additional expenditure in 2008-09. The Task Force will continue its deliberations in the coming months with a view to drawing up further proposals to tackle the problem in a long-term and sustainable manner. In June 2008 we plan to launch a territory-wide campaign to mobilise various sectors of the community to join the anti-drug cause. We will spare no efforts and collaborate with various sectors of the community to combat drug trafficking and abuse with a multi-pronged approach.

Combating Money Laundering and Terrorist Financing

• At the international level, we will continue to participate actively in the work of the Financial Action Task Force on Money Laundering and the Asia/Pacific Group on Money Laundering and contribute towards the global fight against money laundering and terrorist financing. Within Hong Kong, we will focus on completing the

"Mutual Evaluation" (ME) on Hong Kong being conducted by the Financial Action Task Force on Money Laundering. We will continue to engage the various sectors concerned in further raising their awareness, enhancing our regime and meeting the latest international standards.

Chairman, this concludes my opening remarks. My colleagues and I will be happy to answer questions from Members.

Security Bureau March 2008