

For Information

LegCo Panel on Education The Reprovisioning of the Drug Treatment and Rehabilitation Centres of the Christian Zheng Sheng Association

PURPOSE

This note provides information in response to the ten items proposed by three Members in relation to the reprovisioning of the Drug Treatment and Rehabilitation Centres (DTRCs) operated by Christian Zheng Sheng Association (CZSA) in Ha Keng, Chi Ma Wan, Lantau Island. It also gives an update on the latest position of the application of Christian Zheng Sheng College (CSZC) for operating New Senior Secondary (NSS) courses and provides information on the provision of mainstream curriculum for school-age drug abusers.

ITEMS 1–4: IMPROVEMENT OF EXISTING FACILITIES AT HA KENG

2. The interest of young drug abusers undergoing treatment and rehabilitation at Ha Keng is of paramount importance. We share the view that their rehabilitation and learning environment and facilities should be improved as early as practicable to tie in with longer-term arrangements. Indeed, CZSA had carried out a package of renovation works with Government support and \$450,000 funding from the Chinese Permanent Cemeteries Charity Donation. The works (including the painting of ceilings and walls, replacement of windows and doors, and laying of floor tiles) covering 12 houses used as dormitories, activity rooms and classrooms were completed in early 2010.

3. CZSA's existing facilities at Ha Keng are scattered over a valley in a "Green Belt" zone in the South Lantau Coast Outline Zoning Plan which prohibits any new development or premises for DTRC and education purposes unless with the Town Planning Board's approval or where the facilities are used for a temporary period of up to five years. While some of CZSA's facilities are covered by a Government Land License¹, some are housed in unauthorised building structures on Government land, and some are trespassing into private lots. Subject to

¹ The license holder is another NGO with which CZSA has entered into agreement over the use of the premises.

such inherent constraints and necessary Government approvals, CZSA, as the DTRC-cum-school operator, may wish to pursue possible temporary improvement measures as follows -

- (a) Two classrooms in a permanent structure have already been registered as classrooms (15 places each). Within the same structure, two other rooms may be refurbished/converted for seeking registration as classrooms (15 places each, subject to meeting the registration requirements);
- (b) Appropriate refurbishment may be carried out in the existing structures with necessary installation of furniture and equipment to enable a better use of the space available for various purposes. For example, storage space may be improved and added through renovation of suitable premises and installation of lockers. This may in turn free up space for improvements in the existing sleeping accommodation for youngsters (64 places as stipulated in the Certificates of Exemption (CoEs)) and staff members; and
- (c) Other improvement measures such as inspection of electrical and liquid petroleum gas installations and the lightning protection system followed by necessary remedial/rectification works.

4. We look forward to CZSA taking a proactive stance to consider these ideas and take them forward for early implementation with appropriate Government assistance. For example, completion of refurbishment and registration of two more classrooms in an existing structure, together with the two classrooms already registered, may provide the private school greater flexibility in working out the classroom timetables for the delivery of the proposed NSS curriculum.

ITEM 5: SLOPE SAFETY

5. Preventive maintenance works to man-made slopes and stabilisation works to boulders by the Government are well under way as planned. Upon completion, the landslide risks to the existing premises will be significantly reduced.

ITEM 6: MARINE TRANSPORT

6. To beat the two-hour walk from Ha Keng to the main road on Lantau Island, residents, staff and visitors of CZSA need to commute between Ha Keng and Cheung Chau. Ha Keng is however not served by public ferries or "kai to". Relevant Government departments have been working with CZSA to examine various means to address the transport needs.

7. In July 2009, the Beat Drugs Fund (BDF) approved a grant of \$500,000 to CZSA for the procurement of a vessel. In March 2010, CZSA reported that it was exploring the options of purchasing a new boat or a used boat. CZSA was advised that additional funding might be considered if duly executed tendering procedures reveal that a vessel costs over \$500,000. We look forward to CZSA expediting the vessel procurement exercise.

ITEM 7: FINANCIAL MONITORING

Current arrangements

8. CZSA is a registered company limited by guarantee². According to ss.107 and 109 of the Companies Ordinance (Cap. 32), annual returns of guarantee companies have to be filed with the Companies Registry within 42 days after the companies' annual general meeting (AGM)³ for the year together with certified true copies of their annual accounts. The annual returns and accounts filed with the Companies Registry are open to public inspection.

9. CZSA is also a charitable institute that is exempt from tax under s.88 of the Inland Revenue Ordinance (Cap. 112) (IRO). The Inland Revenue Department conducts regular reviews on tax-exempt charitable bodies. It would call for accounts, annual reports, other documents and information (including details of their activities) to review whether the institution's objects are still charitable and its activities are compatible with its expressed objects, whether it carries on any business and whether it has conducted any activities that violates its governing instrument.

² Registered as Christian Zheng Sheng Association Limited 基督教正生會有限公司.

³ Or within 42 days after the date of the written resolution passed in lieu of the AGM together with a certified copy of the audited accounts laid at the AGM.

10. The DTRCs of CZSA are regulated under the Drug Dependent Persons Treatment and Rehabilitation Centres (Licensing) Ordinance (Cap. 566). The Social Welfare Department (SWD) exercises statutory oversight of the DTRC facilities, operation and management. But as CZSA does not receive recurrent subvention, its finances are not subject to Government scrutiny. CZSC⁴ is a private school registered under the Education Ordinance (Cap. 279) and regulated as such, with the level of school fees as and to be approved by the Education Bureau (EDB).

11. Apart from private donations and other sources, the income of CZSA for the four DTRCs and CZSC at Ha Keng and Cheung Chau comes from the maintenance fee (住宿生活費) (\$4,000 per month) and the school fee (\$7,000 per month) of the student-residents⁵.

12. Under the current policy on Comprehensive Social Security Assistance (CSSA) Scheme, DTRC residents are eligible for the standard rates (\$2,200 per month each) and rent allowance (up to \$1,265 per month each) to pay for the maintenance fee if they pass the income and assets tests. Special grants are payable to school-age residents receiving CSSA to pay for the approved school fees.

Request for information

13. At the meeting on 30 April, CZSA submitted a written response (LC Paper No. CB(2)1381/09-10(01)) to the Administration's request for information as set out in LC Paper No. CB(2)1307/09-10(01). Our observations include the following –

- (a) Accounting information pertaining to the operation and finances of CZSA's DTRC-cum-education services separate from CZSA's other services is still outstanding;
- (b) In this relation we note that in CZSA's reports and financial statements for the year ended 31 December 2007 filed with the Companies Registry on 15 April 2010, information on CZSA's subsidiaries was not included in accordance with "Hong Kong Accounting Standards" (issued by the Hong Kong Institute of

⁴ In April 2010, CZSC also registered as a company limited by guarantee (as Christian Zheng Sheng College Limited 基督教正生書院有限公司) and became a charitable institute exempt from tax.

⁵ According to CZSA's website.

Certified Public Accountants) and the auditor has entered a reservation accordingly;

- (c) While general information on various other issues has been provided, CZSA may wish to elaborate on the background and operation of its work such as the hotel service in Mainland China and hospitality service in Japan;
- (d) To enhance service transparency and accountability, CZSA may consider appointing a wider range of people from the community to its management body such as those nominated by the Government; and
- (e) CZSA may also consider implementing their plans on posting the Annual Report and Accounting Report to its website for public perusal as soon as possible.

14. We must examine the information provided and to be provided by CZSA in its entirety, financial information included, in order to address public concerns, fully assess the propriety of CZSA as a DTRC operator and consider further Government assistance and necessary monitoring (including formulation of appropriate terms and conditions to be implemented through appropriate vehicles). We look forward to receiving CZSA's further response in this regard.

Possible arrangements in future

15. Following the present policy, recurrent subvention may be provided to NGOs to operate DTRCs. At present, 20 DTRCs (operated by eight NGOs) are subvented, while another 20 are not. There may be scope to bring CZSA into the subvention mechanism of Government, subject to mutual agreement and availability of funds⁶. If so, SWD may, apart from exercising statutory controls, monitor the finances of CZSA through the existing departmental mechanism and the Funding and Service Agreement to be made with CZSA respectively.

16. In the same vein, CZSA may apply to EDB for the subvention of educational programmes for the school-age drug abusers (see paragraph 33 below) and such will be processed in accordance with the existing

⁶ Apart from receiving subvention, CZSA as the operator may charge a certain maintenance fee on its residents, which may be paid by the CSSA they receive.

vetting criteria. If so, EDB will, apart from exercising statutory controls, monitor the use of such subvention under the prevailing mechanism and procedures.

17. Separately, CZSA's use of Government land and premises and use of BDF on projects for DTRC with education services, if approved, may be subject to appropriate arrangements requiring CZSA to operate such facilities to the satisfaction of the relevant authorities.

ITEM 8: REPROVISIONING OF CZSA's DTRCs

Present situation

18. To recap, CZSA is operating a total of six DTRCs, two at Ha Keng (64 places in total), two at Cheung Chau (60 places in total), one at Mui Wu and one at Tai O. It also operates a private secondary school, i.e. CZSC, with registered classrooms at Ha Keng and Cheung Chau⁷, exclusively for its DTRC residents at these two locations. A summary is shown in Annex A for reference.

19. As at 6 July 2010, the two DTRCs at Ha Keng admitted 62 male and 19 female residents respectively. The two DTRCs at Cheung Chau admitted 27 male and 10 female residents respectively.

Reprovisioning arrangements

20. All four DTRCs of CZSA at Ha Keng and Cheung Chau cannot meet the licensing requirements.

21. Following the existing policy and relevant procedures, the Government had consulted local organizations on CZSA's proposal for reprovisioning the existing facilities at Ha Keng to ex-New Territories Heung Yee Kuk Southern District Secondary School premises in Mui Wo. During the consultation, different views were collected. We are actively considering and coping with these views. We would also encourage

⁷ CZSA indicated that they had not used the two classrooms at Cheung Chau for five years because of remoteness from Ha Keng, safety/security considerations and operational inconvenience.

CZSA to keep an open mind in such other long-term options⁸ that may be identified for exploration.

22. As regards the two DTRCs at Cheung Chau, CZSA has already formulated a reprovisioning plan to build a DTRC with education facility for 96 residents and 38 staff on a piece of land nearby it purchased. The project is at an advance stage of planning. See *Annex B* for details.

23. We would encourage CZSA to expedite and refine its development plans at Cheung Chau making full use of all the sites it owns. Timely completion of the construction project may enable decanting all residents at Ha Keng to Cheung Chau with immediate improvement of their rehabilitating and learning environment, and in turn, allow more flexibility in examining and facilitating any appropriate longer-term arrangements for Ha Keng. There may also be scope to consider for CZSA's two existing DTRCs at Cheung Chau to continue operation under CoEs in the interim or otherwise to seek appropriate in-situ upgrading or redevelopment of facilities. If so, the total DTRC capacity at Cheung Chau in future may accommodate the 124 places currently found in the DTRCs covered by CoEs at Cheung Chau and Ha Keng together (*Annex A*), pending a long-term solution to reprovision the DTRC facilities at Ha Keng for service enhancement.

24. We look forward to CZSA pursuing its development plans at Cheung Chau proactively and keeping an open mind on other reprovisioning options for Ha Keng that may be identified.

ITEM 9: CONTINUED ASSISTANCE AND COMMUNICATION

25. Relevant bureaux and departments have been working hand in hand to provide CZSA with all possible assistance from short to long term to help it resolve matters relating to DTRC licensing, the running of the NSS curriculum, daily operations and development plans. Such efforts will continue to help residents in the care of CZSA's programmes. We have also been providing all relevant information to LegCo Members

⁸ As regards the alternative suggestion of in-situ redevelopment at Ha Keng, we note the inherent technical difficulties. In-situ redevelopment is subject to rebuttal of the presumption against development in a Green Belt zone and the approval of the Town Planning Board. In 1998, the Town Planning Board approved CZSA's application to redevelop the facilities to accommodate 80 student residents and 25 staff subject to a set of stringent conditions on slope investigation and improvement, emergency vehicular access/marine access for fire services, sewage treatment, and tree preservation. The permission lapsed in January 2001 in the absence of any submission by CZSA.

to brief them on the background, update them on the progress and to respond to the questions and suggestions. We are happy to continue to help Members play a role in this case. Where appropriate we are prepared to further meet with CZSA representatives or interested Members or both to facilitate the assistance and communication.

ITEM 10: PROJECT COST

26. All along, residential DTRC programmes in Hong Kong are run by NGOs which are our key partners in the drug treatment landscape. Apart from providing recurrent subvention to some NGOs, we also give general assistance in terms of supporting the use of Government land and premises for DTRC purposes. To construct new DTRCs or convert existing premises into DTRCs, NGOs may, apart from exhausting their own means and private donations, apply for charitable funds and seek sponsorship, such as the Lotteries Fund and the Hong Kong Jockey Club Charities Trust. Last but not least, they may apply for the BDF⁹.

27. As always and as in other DTRC cases, we would encourage CZSA, on top of its usual means, to seek such public funding support to carry out the short to long term measures as illustrated in the preceding paragraphs. The Government stands ready to examine any request for support or fund application as expeditiously as possible.

28. In particular, in May 2010, the Finance Committee approved a new commitment of \$3 billion for injection into the BDF for supporting various sectors of the community in combating drug abuse on a sustainable and long-term basis. One of the areas the BDF may support subsequent to the capital injection is to help expedite the upgrading and/or reprovisioning of DTRCs¹⁰ to meet the licensing requirements under the Drug Dependent Persons Treatment and Rehabilitation Centres (Licensing) Ordinance (Cap. 566), and to enhance capacity and service sophistication.

⁹ At present, each DTRC may obtain a maximum of \$3 millions, while each NGO may obtain a maximum of \$6 millions for all its DTRCs.

¹⁰ As at end May 2010, among a total of 40 DTRCs currently covered by the said Ordinance, 19 having obtained licences and 21 (including CZSA's 4 DTRCs at Ha Keng and Cheung Chau respectively) are operating under a Certificate of Exemption (CoE) issued by the Director of Social Welfare.

29. For example, we will substantially increase the maximum level of grant for each application and each organisation¹¹ and provide funding support for engaging authorised experts and professionals to expedite the project planning and implementation processes. Like other DTRC operators, CZSA is a potential beneficiary. We encourage CZSA to make the most of the new resources made available and arrangements to be put in place.

OTHER CONCERNS

Operation of NSS Courses in the Christian Zheng Sheng College

30. EDB requested CZSC in April 2010 for additional information for processing its application for operating the NSS courses. In response, CZSC has submitted in late August 2010 some supplementary information about the use of the two registered classrooms at Ha Keng together with a summary of expenditure items. The school has also submitted in early September 2010 an application for classroom registration at Ha Keng. We welcome CZSC's effort in maximizing the use of its existing facilities. CZSC has yet to provide the information that we have requested for in our letters or meetings in the past months. Such outstanding information includes the current and estimated income and expenditure, in particular breakdown of staff cost between the DTRCs and the school section, the classroom timetables of the proposed NSS courses, and related schedule of room conversion, etc. We look forward to its expediting submission of the necessary information to facilitate our further processing of its application for operating the NSS courses with the proposed fee levels.

Provision of Mainstream Curriculum to School-age Drug Abusers

31. The Administration has been providing diversified educational and counselling services to safeguard the interest and to cater for the different learning and developmental needs of the school-age drug abusers.

¹¹ We plan to increase the maximum BDF funding levels as follows: i) Works projects with approved project value below \$6M – funding in full; at or above \$6M – funding by \$6M or 80% of the approved project value, whichever is higher, up to a ceiling of \$50M in the normal circumstances; ii) Technical feasibility study for major works – funding in full; and iii) Other preliminary works - \$30,000. Correspondingly, the current restriction of \$6M of BDF funding for each NGO will be lifted.

32. For occasional school-age drug abusers who will benefit from normal schooling, their studies should not be disrupted. While they will continue their studies in mainstream schools, they normally receive counselling and assistance from relevant channels, such as the counselling centres for psychotropic substances abusers. For habitual school-age drug abusers who are found not suitable to continue their studies in original mainstream school and who require residential treatment and rehabilitation services in DTRCs, their basic and urgent need is to kick the habit, rebuild their self-confidence, restructure their life orientation and engage in educational/vocational planning to facilitate their integration into the society and minimize relapse. Their stay in the DTRC should be of transient nature and they should be reintegrated in the normal school setting as early as possible, or integrated in the workplace as the cases merits. During this transitional process, they will be provided with learning opportunities to maintain the basic education standard and learning momentum. In this connection, the DTRCs may apply for subvention from the EDB for operating educational programmes and activities which meet the learning and training needs of those school-age DTRC residents.

33. Moreover, to better meet the educational needs of the school-age DTRC residents, starting from the 2010/11 school year, EDB enhances the level of subvention to around \$460,000 per programme per annum (with 10 students in each programme), implying about 40% increase as compared to the previous provision. The DTRCs are required to strengthen the structure and design of these programmes and broaden their scope (e.g. vocational elements) to accommodate diversified modes of education and activities in the light of the learning and training needs of school-aged DTRC residents. EDB will step up the support and monitoring of the operation of these educational programmes for quality assurance purpose. It is hoped that the enhanced programmes can enable school-age drug abusers to resume school education, receive vocational training or enter into employment according to their aptitudes and needs as soon as possible after rehabilitation.

34. Those who are ready to resume schooling, EDB will provide information of schools to facilitate DTRC's placement of these school-age drug abusers to ensure their smooth resumption of studies. If needed, EDB will offer assistance in placing them back to publicly-funded schools. In arranging school placement, consideration will be made to the learning needs and interests of the students, parental choice, suitability and availability of school places in individual schools. On admitting these students, schools are obliged to optimise the use of available

resources to render timely counselling services and supportive measures to enable them to resume school smoothly. DTRCs will provide appropriate support to the rehabilitated drug abusers for ensuring a smooth integration of the students.

35. At the LegCo Panel Meeting on 2 July 2009, Members requested information including the number of rehabilitated students resumed mainstream schooling, the number of students being forced to leave school after they had been found taking drugs, as well as information on schools not following the guidelines in handling school-age drug abusers. All students have the right to education and we have from time to time reminded schools not to expel students. According to EDB's record, there have not been any reporting of students being forced to leave schools after they have been found taking drugs. There were also no reported cases on schools not following the guidelines in handling student drug abusers. DTRCs are not required to report on the number of residents who returned to normal schooling after the rehabilitation treatment.

36. In a bid to better support young drug abusers, the Administration would improve the existing system of information collection and sharing to meet the needs of different stakeholders.

PRESENTATION

37. This note is presented for Members' information.

Security Bureau
Education Bureau
Social Welfare Department
Civil Engineering and Development Department

27 September 2010

Summary of CZSA's DTRCs in Hong Kong

No.	Drug Treatment and Rehabilitation Centre (DTRC)	Licensing Status	CoE capacity	Target client	Provision of DTRC-cum-School service	No. of residents ¹²	Remarks
1	Ha Keng Treatment and Rehabilitation Centre for Male	CoE	50	Male (Age < 22)	Yes	62 (as at 6.7.2010)	CZSA also operates a private secondary school, i.e. CZSC, with four registered classrooms at Ha Keng and Cheung Chau (two at each place), exclusively for its DTRC residents at the two locations.
2	Ha Keng Treatment and Rehabilitation Centre for Female	CoE	14	Female (No age limit)	Yes	19 (as at 6.7.2010)	
3.	Cheung Chau Male Training Centre for Youth	CoE	40	Male (Age < 22)	Yes	27 (as at 6.7.2010)	
4	Cheung Chau Female Training Centre for Youth	CoE	20	Female (No age limit)	Yes	10 (as at 6.7.2010)	
5	Mui Wo Male Training Centre for Adult	CoE	24	Male (Age > 22)	N.A.	2 (as of 9.9.2010)	
6	Tai O Kau San Tei Male Treatment and Rehabilitation Centre for Adult	Licensed	18	Male (Age > 18)	N.A.	1 (as of 15.9.2010)	

¹² The figures indicated are those recorded during inspections by SWD on the date specified.

Annex B

Redevelopment of a Cheung Chau site into a DTRC-cum-education facility

- In 2000, CZSA purchased a piece of agricultural land (about 1,500 sqm) at Fa Peng Road in Cheung Chau which was formerly occupied by Five District Association College (長洲五區英文中學) with a view to redeveloping the site into a DTRC with educational services, in a bid to re-provision its two existing DTRCs at Peak Road, Cheung Chau which were considered not able to be upgraded in-situ to licensing requirements. CZSA subsequently applied to LandsD for change in land use of the new site, from agricultural to DTRC-cum-education purposes.
- Following necessary procedures and local consultation, the Islands District Lands Conference approved in October 2007 the change in land use subject to a set of terms and conditions agreed by bureaux and departments (including Narcotics Division, EDB and SWD). CZSA accepted the offer from Government.
- Technically, CZSA has to execute a land exchange with Government to proceed. But CZSA has yet to complete all the necessary requirements and land formalities. A critical thing outstanding is that, owing to land title issues, CZSA has to provide an Indemnity in favour of the Government.
- Meanwhile, CZSA has got the preliminary building plans approved by the Buildings Authority for accommodating 96 residents plus 38 staff, with dormitories, 10 classrooms and basic ancillary facilities. Slight plan modifications are required to ensure full compliance with the land use terms and conditions. Drainage, structural and associated plans are needed for the approval of the Buildings Authority before works can proceed.