

Notes of the Sixteenth Meeting of the Eastern District Council

The Sixteenth Meeting of the Eastern District Council (EDC) was held on 17 December 2010 and the major items discussed were summarized as follows:

I. Healthcare Reform Second Stage Public Consultation

The views expressed by the Councillors were summarized as follows :

- (a) A Councillor reflected that since the promotion of the Health Protection Scheme (hereinafter known as HPS), it had evoked much controversy in the community, there were views both for and against the subject, therefore the government needed to hear continuously views from all sectors. A number of Councillors hoped that the government could consult the views of the citizens in detail.
- (b) A Councillor pointed out that healthcare was currently a subject which every country of the world was much concerned about. With the importance of healthcare and its cost continuously rising, he considered that after the consultation made in 2008 and in order to pass the legislation soonest for regulation, and to attain the target of health protection for all citizens, the second stage consultation was most necessary.
- (c) A Councillor considered that the premium of the HPS was relatively appropriate and might not be the choice for healthy persons. At present there were over 2 million middle-class people who had already joined the private insurance scheme, although the HPS offered a privilege of 30% off , it was not enough to attract the middle-class to join, such would be the key to success or failure of this scheme.
- (d) A Councillor opined that the scheme was on voluntary basis and offered subsidy to attract the participation of the middle-class, who needed the scheme most and could afford it, thus in a way subsidizing the middle-class and this was not fair.
- (e) A Councillor pointed out that the healthcare level of Hong Kong was highly rated but the public medical service had still to be improved in a gradual and orderly approach and the cooperation between private and public sector be strengthened and the resources effectively employed to protect the health of the citizens. She expressed that the current suggested scheme had already included each merit including the protection of high risk groups and the elderly and could relax the burden of public medical service system.

- (f) A Councillor considered that most people would not support the HPS. He reflected that many elderly, the chronics and the CSSAP (Comprehensive Social Security Assistanace Payment) receiver within the district worried that the scheme would become a mandatory one and they also worried that they could not afford the installment since they were jobless.
- (g) A Councillor hoped that the government could strengthen the publicity of the positive image of the HPS. She considered that currently limiting the insurance company to profit from the scheme to less than 5% was still expensive and also hoped that more profit constraints could be introduced to guarantee that the premium would not be increased continuously.
- (h) A Councillor opined that the government should be responsible for improving the public medical service but not to transfer the assets of the middle-class to the insurance companies and the private hospitals.
- (i) A Councillor opined that currently the charge of the private medical service was expensive as well as not uniform and there was no supervision either. It was believed that the voluntary HPS could not provide protection for all diseases. He also considered that the implementation of the scheme could expand the market whereby the insurance company could increase the risk protection more cautiously to prevent abuse, so that the premium must not be cheap.
- (j) A Councillor reflected that after the consultation, it was known that the residents were lacking a sense of safety towards the scheme, especially the middle-class who had already bought the medical insurance, because the choice of private service might not necessarily be reimbursed for all medical expenses, whereas the choice of public service could be reimbursed for all expenses.
- (k) A Councillor pointed out that currently the administration fee of the medical insurance amounted to 20 to 40%, but unless it was regulated by legislation, otherwise it was not feasible to request the trade to control the administration fee under 5%.
- (l) A Councillor considered that the scheme was more suitable for those patients with minor illness, but those with chronic and serious illness had still to depend on the public medical system. He reflected that the insurance trade was not satisfied with the supervision by the authorities and the trade also considered that

the fee had no more room for reduction.

- (m) A Councillor considered that the government should shoulder the medical expenditure with all efforts. He pointed out that the voluntary HPS was taking advantage of the citizens since the government owned a great financial surplus it still had the citizens and the private hospitals to share the medical funding.
- (n) Councillors put forward a number of enquiries including how to ensure the scheme could provide enough medical protection for those whose ability to afford the instalment was limited; what measures would be taken to prevent the private medical institutions to make profit by way of raising their service charges from the \$50 billion which the government used to subsidy the scheme; how would the charges and service quality of the private medical institutions be monitored; since the financial power of the government was great, why did the government not take the commitment to accept insurance; was that all diseases were covered by joining the voluntary HPS; how would the administration fee be adjusted to less than 5%; how to ensure the private medical service would enhance its transparency and competitiveness so that the consumer could receive value-for-money service and sufficient protection etc.
- (o) Councillors put forward a number of proposals including to provide additional incentives such as tax privilege for the citizens to participate in the scheme to establish an arbitration mechanism and set a ceiling for its charge so as to avoid using most of the funds being put into in litigation; strictly regulate the \$50 billion being put into and study in detail the problems of administration, supervision, premium, charging support services being involved; after the scheme had been confirmed, to appropriate resources to provide subsidy or the most necessary protection for the chronic and catastrophe; and to design a clear charging system and strictly monitoring the cost, commission, administration fee and profits etc of the insurance to less than 5%.
- (p) Upon discussion, Councillors put forward the following motion :

“The Eastern District Council supported the government to implement the Health Protection Scheme in a ‘voluntary and government-regulated’ principle and also supported strengthening public healthcare service and at the same time improving the private healthcare market to ensure that all Hong Kong citizens no matter they used the public or private service, could receive the protection they should get; urged the government to continue consulting the

views of the citizens so that the quality healthcare service of Hong Kong could develop on a sustained basis.”

Moved by : Councillor HUI Ching-on, Councillor KONG Chack-ho, MH

Seconded by : Councillor CHOW Kit-bing, MH, Councillor IP Chiu-shing, MH

The Motion was carried by a vote of 24 to 3 with 6 abstentions.

II. Director of Environmental Protection to meet Eastern District Council Members

The views expressed by the Councillors were summarized as follows :

- (a) A Councillor supported that the reduction of waste should start from the source. She reflected that particularly in the comparatively old communities, the recyclers often caused environmental pollution, which was disturbing to the residents, so she hoped that the department could make some measures to help solve the problem.
- (b) A Councillor considered that the current noise control which was confined to 7 pm to 7 am was already outdated. He suggested changing it to 9 pm to 9am would be more appropriate.
- (c) A Councillor reflected that in the recent ten years, Chai Wan was continuously facing with the completion of new facilities, the heavy vehicles often used Wing Tai Road and caused air pollution, the residents thereat were fully tortured by the noise emitted by the heavy vehicles. He hoped that the department could pay much attention to the aspiration of the residents by providing assistance seriously and practically. .
- (d) A Councillor suggested that the government use a simple and easy-to-understand publicity method to assist the consumers to understand the difference of the influence of energy efficiency label from Grade 1 to Grade 5 on the air quality.
- (e) A Councillor pointed out that he did not object to the construction of incinerator but the measures of reduction of waste at the source and the recycle separation should be conducted first, and those remainder waste which could not be handled

were then put into the incinerator.

- (f) A Councillor pointed that the condition of light pollution at night was serious and suggested that the space of corridors or staircases etc which did not need the provision of long time lighting should change to the use of the approach lighting system.
- (g) A Councillor pointed out that the current noise control legislation was lax and there was also grey area in it. He reflected that some food shops when doing business at night time occupied the common space and ejected noise. Even the Food and Environmental Hygiene Department and the police found it hard to thoroughly handle the problem. He hoped that the department could consider a resolution method for it.
- (h) A Councillor suggested that greening work in the old urban area be strengthened so as to improve the air pollution. In addition, he was much in support of the building energy efficiency subsidy scheme and also hoped that the resources being put in could be increased.
- (i) A Councillor considered that the recycle of the kitchen leftover should be started from the housing estate and in order to provide an incentive, the operation of the “Environmental Fund Partnership Programme” should be simplified first and the name be changed to “Housing Estate and Environmental Fund Partnership Programme” so as to provide recycle guidelines for the residents and also to install facilities in housing estates for collecting kitchen leftover, it was believed that the effectiveness could be greatly increased.
- (j) A Councillor pointed out that the department had never rejected any Environmental Impact Assessment Report submitted to the District Council, so that a number of pollution trades took root in Chai Wan. He requested the department to set up an air pollution monitoring station in the industrial area of Chai Wan East.
- (k) Councillors proposed a number of enquiries including what was the progress of the Partnership Programme discussed by the government with the private organization about the recycle of kitchen leftover; what was the updated situation of the plan to construct modernized facilities for handling kitchen leftover in Siu Ho Wan of Lantau Island; had the current air quality of Hong Kong reached the standard of the World Health Organization; how many cases were there applying

for building energy efficiency subsidy scheme and what was the successful rate of application; could the government increase resources to assist the incorporated owners and the old style buildings to have their sense of environmental protection enhanced and also to simplify the trivial procedures of the current “Environmental Fund Partnership Programme”.

- (l) Some Councillors made the following declarations :

Declaration 1

“I strongly request the government to confirm as soon as possible the construction of the noise barrier in Chai Wan Road near Villa Rocha in order to solve the problem of the residents being tortured by the noise for so many years.”

Declared by : Councillor TSANG Kin-shing

Declaration 2

“Urge the concerned government department to study and solve as soon as possible the problem of the residents of Felicity Garden being disturbed by the noise of the Island Eastern Corridor for a long time.”

Declared by : Councillor KONG Chack-ho, MH

III.Putting in Place a Regulatory Framework for Property Management Industry

(EDC Paper No. 108/10)

The views expressed by the Councillors were summarized as follows:

- (a) Councillors generally agreed to the proposal of regulating property management industry.
- (b) A Councillor considered that a quality property management service could enhance the quality of life and make the citizens live and work in peace and content. He hoped that the proposal could be confirmed as soon as possible.
- (c) A Councillor supported the introduction of a single universal licensing regime

regardless of tiers, company or individual but the incorporated owners should be exempted. In addition, he considered that a transitional period of three years was appropriate and during the period a temporary license could be issued.

- (d) A Councillor agreed that there was no need for division of tiers. He suggested that by learning from experience one could request the Property Management Company (hereinafter known as PMC) at the time of registration to list clearly the name of every shareholder and the assessment system should also be introduced and the assessment sheet be handed periodically to the monitoring institution for safekeeping, so as to be given to the owners and incorporated owners for inspection in the future if they considered necessary.
- (e) A Councillor agreed that the person in charge of the management level of the PMC needed to apply for a license. He considered that the examination mechanism was particularly important, it must be equal and there should be no division of tiers, otherwise it would cause charging by tiers, thus affecting the owners.
- (f) A Councillor considered that both the PMC and the practitioners should be regulated. In terms of the PMC, he agreed that division of tiers should be introduced because it could let the owners know the quality of the company more clearly. In terms of practitioners, the licensing regime should strengthen accountability so as to make the practitioners pay more attention to their duties and functions. He also considered that the introduction of the licensing regime in the long run should not cause the citizens to bear a big increase in the building management expenditure.
- (g) A Councillor considered that the service quality of the PMC of a large-scale housing estate was generally guaranteed, but as to a single tenement building or small-scale housing estate, if there was a need to employ a licensed PMC then the expenditure would be increased and it was also not advisable to employ at will practitioners who were not professionals, therefore he considered that training course should be added for the practitioners and, together with the introduction of division of tiers, could help to serve buildings or housing estates of different scales.
- (h) A Councillor agreed that a licensing regime should be introduced for the PMC and practitioners and different tiers should be set based on the scale of management.

- (i) A Councillor hoped that at the time of optimizing the licensing regime, consideration should be given to divide the practitioners into the factor of the “college faction” and the “experience faction”. She also agreed to a transitional period for arrangement of continuous learning or training etc.
- (j) A Councillor opined that a licensing regime should be set up for the PMC but it was not necessary for the practitioners. She opined that it was not necessary for a regulatory authority to be responsible for the licensing matter as the related administration fee would be high and expensive. She agreed to a transitional period so that the PMC and the practitioners could make good preparation and that the scheme should be confirmed as soon as possible.
- (k) A Councillor considered that if a PMC provided quality service, it would help to enhance the value of the property. He suggested that by introducing regulation, it could increase the transparency of fee charging and the formulation of fee charging of the PMC, and it was believed that such could help increase the confidence of the private buildings in employing PMC.
- (l) A Councillor considered that it was necessary to set up the multi-tier regime according to the factors of qualifications and assets etc of the company, otherwise small-sized companies could not manage large estates. In addition, he suggested that the licensed PMC should be requested to ensure the incorporated owners act lawfully by means of its expertise and to be held responsible for their unlawful acts.

Eastern District Council Secretariat
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