

# Government welcomes passage of amendment bill to implement concessionary tax measures

The Secretary for Financial Services and the Treasury, Mr James Lau, welcomed the passage of the Inland Revenue (Amendment) Bill 2018 by the Legislative Council today (May 16).

The new Ordinance gives effect to the concessionary tax measures proposed in the 2018-19 Budget. These include one-off measures to reduce salaries tax, tax under personal assessment and profits tax for the year of assessment 2017/18 by 75 per cent, subject to a ceiling of \$30,000 per case. The new Ordinance also gives effect to the concessionary tax measures relating to salaries tax and tax under personal assessment, starting from the year of assessment 2018/19. Details are as follows:

Salaries Tax and Tax under Personal Assessment	(Adjusted) Level
Tax bands (increased from 4 to 5) Marginal tax rates	\$50,000 2%/6%/10%/14%/ 17%
Child allowance	\$120,000
Dependent Parent/Grandparent Allowance Parent/Grandparent aged 60 or above Parent/Grandparent aged between 55 and 59	\$50,000 \$25,000
Deduction ceiling for elderly residential care expenses	\$100,000
Personal disability allowance (New)	\$75,000

Mr Lau said, "We believe the concessionary tax measures can relieve the tax burden of taxpayers, allowing them to share the fruits of our economic success. With the passage of the Bill by the Legislative Council today, the Inland Revenue Department (IRD) will implement the one-off tax reduction in this year's tax bills."

The one-off tax reduction will be reflected in taxpayers' final tax payable for the year of assessment 2017/18. Application is not required for the one-off tax reduction. Moreover, the IRD will apply the concessionary tax measures when calculating the provisional tax for the year of assessment 2018/19.

---

# SFH to attend 71st World Health Assembly in Geneva

The Secretary for Food and Health, Professor Sophia Chan, will depart for London, the United Kingdom (UK), tonight (May 16) to meet healthcare professionals there and attend the 71st World Health Assembly (WHA) of the World Health Organization (WHO) in Geneva, Switzerland.

Professor Chan will attend the 71st WHA on May 21 (Geneva time) as a member of the People's Republic of China delegation. The agenda of this year's assembly will cover a wide range of issues with public health importance requiring global attention and concerted efforts from all member states. Among others, a number of strategic priority matters will be discussed in the meeting, including public health preparedness and response, health and environment and climate change, prevention and control of non-communicable disease, ending tuberculosis and global shortage of, and access to, medicines and vaccines.

Professor Chan will also take the opportunity to exchange views on healthcare-related issues with top health officials of other member states.

The WHA is the decision-making body of the WHO. It is attended by delegations from all WHO member states and focuses on a specific health agenda. The main functions of the WHA are to determine the policies of the Organization, supervise financial policies, and review and approve the proposed programme budget.

Before attending the WHA, Professor Chan will visit London on May 17 and 18 to learn more about the latest developments in genomics and mental health services there.

During her two-day visit in London, Professor Chan will visit Rethink Mental Illness and Mind UK – two charities focused on mental health that have been promoting destigmatisation under the large-scale Time to Change programme in recent years. In addition, she will meet professionals of Genomics England, which is a company wholly owned by the UK Department of Health and Social Care and was set up to deliver the 100,000 Genomes Project.

Professor Chan will also attend a round table discussion at Chatham House.

Before leaving London, she will host a reception for Hong Kong students studying in the UK and Hong Kong young professionals working in the UK. She will introduce to the young people job opportunities and career prospects of the healthcare sector in Hong Kong.

The Director of Health, Dr Constance Chan, will accompany Professor Chan on the visit.

Professor Chan will depart Geneva in the morning on May 23 and arrive in

Hong Kong on May 24. The Under Secretary for Food and Health, Dr Chui Tak-yi, will be the Acting Secretary for Food and Health during her absence.

---

## Survey on Small and Medium-Sized Enterprises' Credit Conditions for first quarter 2018

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) published today (May 16) the results of Survey on Small and Medium-Sized Enterprises (SMEs)' Credit Conditions for the first quarter of 2018.

Regarding SMEs' perception of banks' credit approval stance relative to 6 months ago, 77% of respondents perceived similar or easier credit approval stance in the first quarter of 2018, broadly similar to the result of the previous quarter (Chart 1 in the Annex). Some 23% of respondents perceived more difficult credit approval stance in the first quarter of 2018, as compared to 24% in the previous quarter.

Of those respondents with existing credit lines, 88% reported that banks' stance on existing credit lines was easier or unchanged in the first quarter of 2018, largely similar to the result of the previous quarter (Chart 2 in the Annex). The proportion of respondents reporting easier banks' stance declined to 14% from 22% in the survey of the previous quarter. Some 12% of respondents reported tightened banks' stance in the first quarter of 2018, slightly down from 13% in the previous quarter.

The Survey also gauged the results of new credit applications from SMEs. Some 2.9% of respondents reported that they had applied for new bank credit during the first quarter of 2018. Of those with known application outcomes, 91% reported fully or partially successful applications, with the proportion of respondents reporting fully successful applications decreasing to 50% from 70% in the survey of the previous quarter (Chart 3 in the Annex). The proportion of respondents reporting unsuccessful application increased from 4% to 9%. It should be noted that owing to a small sample size (i.e. 2.9% of surveyed SMEs), the results of new credit applications from SMEs could be prone to large fluctuations. Care should be taken when interpreting the survey results.

About Survey on Small and Medium-Sized Enterprises' Credit Conditions

In light of the importance of SMEs to the Hong Kong economy and concerns about potential funding difficulties facing SMEs over the past few years, the

HKMA has appointed the Hong Kong Productivity Council (HKPC) to carry out this Survey, starting from the third quarter of 2016. This Survey is conducted on a quarterly basis, covering some 2 500 SMEs from different economic sectors each time. The results of this Survey can help monitor the development of SMEs' access to bank credit from the demand-side perspective.

The results of this Survey should be interpreted with caution. Similar to other opinion surveys, views collected in this Survey may be affected by changes in sentiment due to idiosyncratic events occurring during the time of conducting the Survey, which can make the results more prone to fluctuations. Readers are advised to interpret the results together with other economic and financial information. In addition, views collected are limited to the expected direction of periodic changes (e.g. "tighter", "similar" or "easier") but not the magnitude of difficulties.

Detailed tables and technical information of this Survey are published in the website of the HKPC ([smecc.hkpc.org](http://smecc.hkpc.org)).

---

## **LCQ12: Complaint handling of Hospital Authority**

Following is a question by the Dr Hon Pierre Chan and a written reply by the Secretary for Food and Health, Professor Sophia Chan, in the Legislative Council today (May 16):

Question:

Regarding the complaints and claims of medical negligence received by the Hospital Authority (HA), will the Government inform this Council:

(1) whether it knows the number of claims of medical negligence received by each public hospital in each of the past five years (i.e. from January 1, 2013 to December 31, 2017), and set out a breakdown by type of claims in tables of the same format as Table 1;

(2) whether it knows the number of complaints in each public hospital which were found, in each of the past five years, to be substantiated and needed further follow-up actions after being handled by the hospitals concerned, and the respective numbers of the various types of healthcare personnel (i.e. doctors, nurses and allied health professionals) who were punished because they had made mistakes in the relevant incidents, and set out a breakdown by type and rank of such personnel in tables of the same format as Table 2; the forms of punishment they received;

(3) given that complainants may appeal to the Public Complaints Committee (PCC) of HA if they are not satisfied with the decisions made by public

hospitals in respect of their complaints, whether it knows the number of appeal cases received by PCC in each of the past three years and, among them, the number of those found by PCC to be substantiated or partly substantiated (set out in Table 3);

(4) whether it knows the number of claims of medical negligence in each of the past two years, broken down by different handling methods/results (set out in Table 4);

(5) whether it knows the number of claims for which compensation was paid to the patients concerned or their families by HA in each of the past two years, and the respective total amounts of compensation paid and the relevant expenditure incurred, for various types of claims (set out in Table 5); and

(6) given that the target response time set by HA for handling complaints is within six weeks (within three months for complex cases), and that by PCC is within three to six months (possibly longer time needed for complex cases), whether it knows, among the complaints the handling of which was completed by each public hospital and by PCC in each of the past five years, the respective numbers of those in which the response time failed to meet such targets (set out in Table 6), and the reasons for failure to meet the targets?

Table 1: Number of claims of medical negligence  
Hospital:

Type of cases	Year				
	2013	2014	2015	2016	2017

Table 2: Number of healthcare personnel punished

Healthcare personnel	Year				
	2013	2014	2015	2016	2017
Doctors: (of different ranks)					
Nurses: (of different ranks)					
Allied health professionals: (of different ranks)					

Table 3: Number of appeal cases received by the Public Complaints Committee

Appeal cases	Year		
	2015	2016	2017
Total			
Number of cases found to be substantiated or partly substantiated			

Table 4: Number of claims of medical negligence, broken down by handling method/result

Handling method/result	Year	
	2016	2017
Settled out of court		
Referred to mediation		
Settled during mediation		
Settled after mediation		
Referred to arbitration		
Settled through arbitration		
Ruled by the court		
Total		

Table 5: Total amount of compensation paid and relevant expenditure incurred for claims

Type of compensation/expenditure	Year	
	2016	2017
Total amount of compensation paid		
Total amount of compensation paid in respect of cases settled out of court		
Total amount of compensation paid pursuant to the agreements reached by mediation		
Total amount of compensation paid pursuant to arbitration awards		
Total amount of compensation paid pursuant to court rulings		
Mediation fees paid by HA	Mediators	
	Lawyers	
	Others	
Arbitration fees paid by HA	Arbitrators	
	Lawyers	
	Others	

Legal fees paid by HA	Lawyers		
	Court		
	Others*		

\* excluding fees related to mediation and arbitration

Table 6: Number of complaints in which the response time failed to meet the targets

Year	Public Complaints Committee	Public hospitals							
2013									
2014									
2015									
2016									
2017									

Reply:

President,

The Hospital Authority (HA) has a two-tier mechanism in place to handle complaints lodged by patients and the public. The first tier is at the hospital level which covers the handling of all complaints lodged for the first time. If the complainant is not satisfied with the outcome of the complaint, he or she may appeal to the second tier, i.e. the Public Complaints Committee (PCC) of the HA. The PCC is a committee established under the HA Board responsible for independently considering and deciding on all appeal cases and putting forward recommendations on service improvement to the HA. Members of the PCC are not employees of the HA and, by virtue of their independent status, will handle all appeal cases fairly and impartially.

My reply to the various parts of the question raised by Dr Hon Pierre Chan is as follows:

(1) The HA has not classified the cases of claims arising from medical incidents by nature. Table 1 at annex sets out the number of claim received by the HA by cluster in the past five years.

(2) One of the main objectives of the HA's complaint mechanism is to help resolve problems for the complainants and improve service delivery during the course of complaint handling. Hence, when the HA handles the cases, the emphasis is not on whether the cases are substantiated. In fact, whenever room for improvement in the delivery of service is identified in the handling of complaints, the HA will take appropriate follow-up actions irrespective of whether the cases are substantiated or not. The HA does not collect data on whether the complaint cases handled at the first-tier level are substantiated or not.

The HA has put in place an established mechanism to handle disciplinary matters of its staff. Disciplinary actions taken are not confined to cases relating to medical complaints and claims. The HA will consider the seriousness of the incidents and take appropriate disciplinary actions, including counselling, verbal or written warnings, and dismissal for cases of gross misconduct.

The HA does not maintain statistics on disciplinary actions by rank and by type of staff. Table 2 at annex sets out the number of disciplinary actions taken by the HA in the past five years:

(3) Table 3 at annex sets out the statistics on the appeal cases handled by the PCC of the HA in the past three years:

(4) and (5) Table 4 and 5 at annex set out the statistics on cases of claims received by the HA in respect of medical incidents in the past two years.

(6) The hospitals and the PCC will, upon receipt of complaints, handle these cases as soon as possible. As the complexity of each case varies, the time required for handling individual cases is different.

Some complaint cases cannot be concluded within the target response time possibly because of the involvement of several hospitals or several departments within a hospital in the case, the need for multiple clarification or evidence collection during investigation, the involvement of complex clinical management in the case, or the need to seek advice from independent medical experts.

Table 6 at annex sets out the number of complaint cases handled by the PCC and the HA by clusters that were completed beyond the target response time.

---

## Government receives tentative results of 2018 Pay Trend Survey

A spokesman for the Civil Service Bureau (CSB) said that the bureau received the tentative results of the 2018 Pay Trend Survey from the secretariat of the Pay Trend Survey Committee (PTSC) today (May 16).

The tentative results, presented in the form of "gross pay trend indicators", show the rates of pay adjustment in the private sector in three salary bands for the period from April 2, 2017, to April 1, 2018. The PTSC will meet next week to decide whether to validate the "gross pay trend indicators".

"The civil service payroll cost of increments incurred in 2017-18 for



each salary band (set out in the table below) will be deducted from the respective "gross pay trend indicators" to arrive at the "net pay trend indicators", which will continue to be one of the factors to be considered by the Chief Executive-in-Council in determining the 2018-19 civil service pay adjustment. Other factors include the state of Hong Kong's economy, the Government's fiscal position, changes in the cost of living, the pay claims of the staff side and civil service morale," the CSB spokesman said.

"The Pay Trend Survey is effective and credible. Over the years, it has provided objective and reliable data on the annual pay movements of organisations in different sectors. The PTSC is a tripartite committee comprising representatives of the staff side of the four central consultative councils, the two independent advisory bodies (namely the Standing Commission on Civil Service Salaries and Conditions of Service and the Standing Committee on Disciplined Services Salaries and Conditions of Service) and government officials. Every year before the Pay Trend Survey commences, the PTSC carefully reviews the survey arrangements in detail. All suggestions raised by members during the review process are thoroughly discussed by the PTSC," the CSB spokesman added.

The 2017-18 civil service payroll cost of increments expressed by salary bands are tabulated below:

Salary band	Cost of increments as a percentage of the total civil service salary expenditure of the respective salary band of that year
Upper (monthly salary from \$67,066 to \$135,075)	1.19%
Middle (monthly salary from \$21,880 to \$67,065)	1.12%
Lower (monthly salary below \$21,880)	2.05%