

Fatal traffic accident in Ma On Shan

Police are investigating a fatal traffic accident in Ma On Shan this morning (May 30) in which an 84-year-old woman died.

At about 9.20am, a light goods vehicle (LGV) driven by a 54-year-old man was travelling along On Luk Street towards Sai Sha Road. When approaching Sai Sha Road, it reportedly knocked down the 84-year-old woman who was crossing the road.

Sustaining serious head injuries, the woman was rushed to Prince of Wales Hospital in unconscious state and was certified dead at 10.16am.

The driver was arrested for dangerous driving causing death and is being detained for further enquiries.

Investigation by the Special Investigation Team of Traffic, New Territories South is underway.

Anyone who witnessed the accident or has any information to offer is urged to contact the investigating officers at 3661 1300 or 3661 1348.

Transcript of remarks by STH

Following is the transcript of remarks by the Secretary for Transport and Housing, Mr Frank Chan Fan, at a media session after attending the Legislative Council meeting today (May 30):

Reporter: Does the Government actually know about it? Are you aware of the situation? Are you informed? Have you actually been monitoring the misbehaviour of the contractor?

Secretary for Transport and Housing: I would suppose, no matter who, whether the Government or a company or a team of experts, there is always a hierarchy of management and supervision. Therefore it is only when something went wrong, then this would be escalated to my level. If things were spotted and rectified on-site at the substantial time, then I would expect that the professionalism and responsible manner would have received endorsement from the community and the media.

(Please also refer to the Chinese portion of the transcript.)

Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Wednesday, May 30, 2018 is 100.1 (up 0.1 against yesterday's index).

LCQ6: Ticketing arrangements for Guangzhou-Shenzhen-Hong Kong Express Rail Link

Following is a question by the Hon Tanya Chan and a reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (May 30):

Question:

The Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link is expected to be commissioned in September this year and it will be connected to the national high-speed rail network on the Mainland. It has been reported that the MTR Corporation Limited (MTRCL) will sell, at the West Kowloon Station (WKS), only tickets for the high-speed rail routes plying between WKS and 18 high-speed rail stations on the Mainland (HK routes). Since MTRCL has not been authorised to sell tickets for the other high-speed rail routes (Mainland routes), passengers who wish to change to trains along the Mainland routes after travelling on trains along the HK routes have to buy, in advance, tickets for the Mainland routes at the counters operated by a ticketing agent at WKS or through other means. In this connection, will the Government inform this Council:

(1) whether the Government or MTRCL has taken part in the selection of the Mainland ticketing agent that will operate at WKS; whether it knows the way in which the selection was conducted, as well as its procedure, timetable, outcome and criteria, and whether the selection criteria include the level of service fees to be charged and the payment methods for tickets;

(2) whether it knows why MTRCL has not been authorised to sell tickets for the Mainland routes, and the details of the discussion between MTRCL and the China Railway Corporation (CRC) about the ticketing arrangements; the estimated monthly number of passenger trips on trains along the HK routes, the estimated monthly number of passenger trips changing to trains along the Mainland routes after travelling on trains along the HK routes, the estimated

service fees for tickets to be charged by the ticketing agent at WKS, and its related monthly income; and

(3) whether it knows if CRC and the ticketing agencies have to obtain the authorisation of MTRCL to sell tickets for the HK routes; if they have to, of the details, and whether the former will charge service fees for tickets; whether MTRCL will set up counters at the high-speed rail stations on the Mainland to sell tickets for the HK routes; if MTRCL will, of the details?

Reply:

Acting President,

My consolidated reply to the Hon Tanya Chan's question is as follows:

The national high-speed rail network, currently 25 000 kilometres in length, accounts for over 60 per cent of the total length of high-speed railways around the world. The well-connected rail network has helped create a new mode of commuting and given impetus to the economic development of our country. The Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL), with its major works having been completed, is targeted for commissioning in September 2018. The 26 kilometre Hong Kong Section of XRL will connect to the national high-speed rail network, and will significantly reduce the journey time from Hong Kong to Shenzhen, Guangzhou or other cities in the Pearl River Delta region, thus contributing to the promotion of connectivity between Hong Kong and the Mainland. Therefore, both cross boundary journey tickets and Mainland journey tickets can be purchased at the West Kowloon Station (WKS).

According to the Memorandum of Understanding on the Arrangements for Preparation of Key Operational Issues for the Hong Kong Section of the XRL signed between the Transport and Housing Bureau and the China Railway Corporation (CR) on January 29, 2018, the plan will be to operate 127 train pairs daily at the early stage of commissioning, comprising 114 pairs of short haul trains daily during peak periods. The actual number of train pairs will depend on the passenger volume; and 13 pairs of long haul trains daily. The short haul trains will run directly between the WKS and four short haul stations, namely Futian, Shenzhen North, Humen and Guangzhou South stations. There will be direct long haul trains to 14 stations, namely Beijing, Shanghai, Kunming, Guilin, Guiyang, Shijiazhuang, Zhengzhou, Wuhan, Changsha, Hangzhou, Nanchang, Fuzhou, Xiamen and Shantou stations. Both parties also agreed that the train schedule could be adjusted subject to discussion on the actual operational needs. After the commissioning of the Hong Kong Section of XRL, we will continue to explore with the Mainland authorities additional direct train services to more Mainland cities, and to enhance the ticketing arrangements.

The Government is in discussion with the CR on the financial and related matters of the Hong Kong Section of XRL and will inform the Panel on Transport of the Legislative Council and the public of the outcomes of the discussion and details of operating arrangements at the appropriate time. The

actual operational arrangements and ultimate financial conditions of the Hong Kong Section of XRL will depend on the outcomes of discussion with the CR. The Government will update the related figures based on the outcome of the discussions with CR, including the passenger forecast of the Hong Kong Section of XRL.

At the same time, the MTR Corporation Limited (MTRCL) is discussing with the Mainland high-speed rail operator on the actual operational arrangements, including ticketing matters, of the Hong Kong Section of XRL. According to the arrangement agreed by both sides, through the Hong Kong ticketing system, passengers may buy cross boundary journey tickets, viz. tickets for high-speed trains that start or terminate at the WKS and run to or from the aforesaid four short haul stations or 14 long haul stations. Passengers may, by producing their Hong Kong and Macao Residents Entry and Exit Permits (i.e. Home Return Permits), buy tickets through the Hong Kong ticketing system, including Hong Kong ticketing website, Hong Kong ticketing hotline, ticket office at B1 Level of the WKS, ticket vending machines at the WKS, as well as local travel agencies. Passengers may then collect their tickets at the ticket office or ticket vending machine at the WKS by producing their Home Return Permits and booking number. The ticket office at the WKS, with 28 counters, will handle cross boundary journey ticketing matters, including buying, collecting, changing and returning of tickets for passengers. There will also be 39 ticket vending machines for passengers to buy and collect their tickets. No service fee will be charged when buying or collecting cross boundary journey tickets in Hong Kong.

For added convenience for passengers, in addition to accepting payment by traditional means such as cash, credit card and Octopus, the MTRCL will consider introducing electronic means of payment popular with passengers in recent years. The MTRCL is also planning to set up service counters for cross boundary journey ticketing at major rail stations in Hong Kong. Details will be announced upon confirmation.

In the future, the Mainland high-speed rail operator will also sell cross boundary journey tickets on the Mainland, and will do so through the existing sales channels and arrangements. As far as we understand, no service fee will be charged for purchases of train tickets at Mainland stations or through the Mainland website and ticketing hotline, and for the subsequent pick-up at ticketing counters or ticket vending machines in Mainland stations.

Mainland journey tickets, i.e. tickets for journeys that start and terminate at Mainland stations, are in fact already available for purchase in Hong Kong. They are sold at ticket outlets operated by agents in Hong Kong under the authorisation of the Mainland high-speed rail operator. Since the provision of such service involves certain costs, the agents have been charging service fees.

Apart from using such local agents, Hong Kong passengers may, with their Home Return Permits, purchase Mainland journey tickets at ticketing counters in Mainland stations, or at ticket vending machines compatible with the

Permit at these stations. Passengers who have a Mainland-registered mobile phone number may also register an account and purchase tickets on the Mainland's official ticketing website (i.e. the "12306" website of the China Railway Customer Service Center). Further, passengers may order their tickets through the Mainland's ticketing hotline. Ordering/purchasing tickets through the aforesaid means and the subsequent pick-up at ticketing counters or ticket vending machines in Mainland stations are not subject to service fees. According to the latest initial understanding from the Mainland high-speed rail operator, the Mainland is progressively extending automatic ticket vending and issuing service for Hong Kong and Macao residents to more stations. In the future, the 18 stations reachable by direct trains from the WKS will all be installed with ticket vending machines compatible with the Home Return Permit to facilitate the travel of Hong Kong and Macao residents on the Mainland by means of high-speed rail.

As far as we understand, the MTRCL has reserved five ticketing counters at the ticket office of the WKS to facilitate the provision of service by the agent authorised by the Mainland high-speed rail operator to sell Mainland journey tickets in the future. This will allow passengers to purchase both cross boundary journey tickets and Mainland journey tickets in one go in Hong Kong. Discussion on these matters, including the level of service fees, is still in progress. The Government will urge the MTRCL to discuss with the Mainland high-speed rail operator with a view to lowering the service fees to a minimum as far as possible, and will join the discussion as and when necessary.

LCQ18: Policy Holders' Protection Scheme

Following is a question by the Hon Jimmy Ng and a written reply by the Acting Secretary for Financial Services and the Treasury, Mr Joseph Chan, in the Legislative Council today (May 30):

Question:

The Government is currently drafting a legislative proposal for establishing a Policy Holders' Protection Scheme (PPS), which aims to protect policy holders' interest by compensating policy holders or securing the continuity of insurance contracts in case an insurer becomes insolvent. In this connection, will the Government inform this Council:

(1) whether it will put in place measures to reduce the moral hazards (e.g. insurers successively launching insurance products with high expected returns but high risks while members of the public being willing to take out such products as they ignore the related risks and focus on returns only) which

may potentially arise from PPS; if so, of the details; if not, the reasons for that;

(2) given that under the relevant protection scheme implemented by the Singapore authorities, claims for non-life policies are completely covered without an upper limit, whether such an arrangement will be adopted for PPS; if so, of the details; if not, the reasons for that;

(3) given that under the relevant protection scheme implemented by the Singapore authorities, a post-funding arrangement has been put in place to empower the authorities to charge a levy from insurers in the event that the total amount of funds is insufficient to settle all claims, whether such an arrangement will be adopted for PPS; if so, of the details; if not, the reasons for that; and

(4) whether PPS will cover policies under the Voluntary Health Insurance Scheme, which will be implemented shortly; if so, of the details?

Reply:

President,

Our response to the various parts of the question is as follows:

(1) In the Consultation Paper on the "Proposed Establishment of a Policyholders' Protection Fund", the Government has already pointed out that one of the principles in formulating the proposals on the Protection Fund is to enhance market stability while minimising the risk of moral hazard. In this regard, we have proposed to set a compensation limit under the Policy Holders' Protection Scheme (PPS), i.e. the compensation is 100% for the first HKD100,000, plus 80% of the balance, and the total amount is subject to a limit of HKD1 million. As consumers have to bear certain degree of risk of not being compensated in full, they still need to select the suitable insurers and insurance products. On the other hand, the Insurance Authority will continue to exercise prudential monitoring of insurers' financial position, and will not compromise the regulatory standards and requirements on insurers under the Insurance Ordinance (Cap. 41) because of the PPS.

(2) The PPS seeks to provide a safety net for affected policy holders in case of insurer's insolvency. To strike a reasonable balance between the cost and benefit of the PPS and to minimise moral hazard as far as practicable, we consider that there should be a compensation limit for the PPS.

(3) We propose that in case an insurer becomes insolvent and the liquidity of the Fund is insufficient to settle the total amount of claims provided by the PPS, the PPS may borrow from a third party, or collect additional levy from insurers. We propose that the rate of additional levy should require the approval of the Legislative Council.

(4) As policies under the Voluntary Health Insurance Scheme are all personal policies, policy holders under that scheme will be protected by the PPS. When an insurer becomes insolvent, the PPS will meet the claims arising from policies subject to a limit of HKD1 million per claim, whether the insured

incident occurs before or after the insolvency, and whether the claim is submitted before or after the insolvency, subject to the time limit specified in the insurance policy (if any).