

LEGISLATIVE COUNCIL PANEL ON TRANSPORT

Route 3 (Country Park Section) Tolls

Introduction

This paper informs Members of the new statutory toll levels of the Route 3 (Country Park Section) (Route 3) that will take effect from 17 September 2006. It also informs Members that Route 3 will continue to offer the existing concessionary tolls to all categories of vehicles. Hence, *the actual toll levels will remain unchanged* and users will not be affected by the exercise.

Background

2. The Tai Lam Tunnel and Yuen Long Approach Road Ordinance (Cap. 474) provides for a specified toll adjustment mechanism in respect of Route 3. Under the Ordinance, the franchisee may effect toll increases on three specified dates (1 January of 2003, 2010 and 2017). However, if the franchisee's actual net revenue in any year (that is not a year ending immediately before the specified date) falls short of the minimum estimated net revenue for that year specified in Schedule 4 to Cap. 474, the franchisee may advance an anticipated toll increase or create additional toll increases if all the anticipated toll increases have been effected. The maximum levels of increase in respect of different categories of vehicles are specified in Schedule 2 to Cap. 474.

3. Since the operation of Route 3 in May 1998, the franchisee's net revenue has consistently fallen short of the specified levels. The franchisee has thus advanced the three anticipated toll increases – the first one in April 2000 on the basis of the 1998/99 Net Revenue Statement (NRS), the second one in April 2001 on the basis of its 1999/2000 NRS, and the third one in June 2005 on the basis of its 2000/01 NRS. Concessionary tolls were offered to certain types of vehicles. A summary of the historical changes in Route 3's toll levels is at **Annex A**.

4. The franchisee submitted its 2001/02 NRS in August 2002. As required under the specified toll adjustment mechanism, we carefully examined the NRS of Route 3 and noted that the franchisee's net revenue of \$238 million was lower than the minimum estimated net revenue of \$264 million for that year

specified in Schedule 4 to Cap. 474. Hence, the franchisee was entitled to a toll increase with effect from 1 January 2003. Nevertheless, considering the economic condition at that time, the franchisee agreed to defer the toll increase.

Present Position

5. The franchisee recently notified the Administration of its decision to exercise its right to a statutory toll increase on the basis of its 2001/02 NRS and to effect the new toll levels (at **Annex B**) on 17 September 2006. At the same time, the franchisee will continue to offer concessions to all types of vehicles so that the current toll levels would be maintained and users will not be affected.

6. The franchisee has complied with the requirements under the Ordinance to effect the statutory toll increase. We have nevertheless reminded the franchisee that they should explain clearly to the public the difference between gazetting the new statutory tolls and maintaining the concessions, which will make the actual toll levels for all vehicles unchanged. We have also urged the franchisee to have due regard to public affordability and acceptability in devising its tolling strategy.

Environment, Transport and Works Bureau
September 2006

Annex A

Historical Toll Levels of Route 3

	25 May 1998		11 Aug 1998		27 Oct 1998		1 Apr 2000		18 Sep 2000		1 Apr 2001		19 Jun 2005	
	Statutory	Conces-sionary	Statutory	Conces-sionary	Statutory	Conces-sionary	Statutory	Conces-sionary	Statutory	Conces-sionary	Statutory	Conces-sionary	Statutory	Conces-sionary
Motor-cycle	\$10	-	\$10	-	\$10	-	\$15	-	\$15	-	\$20	\$17	\$25	\$17
Private car and Taxi	\$15	-	\$15	-	\$15	-	\$20	-	\$20	-	\$25	\$22	\$30	\$25
Light bus	\$30	-	\$30	-	\$30	-	\$45	-	\$45	-	\$60	-	\$75	-
Light goods vehicle	\$30	-	\$30	-	\$30	\$23	\$45	\$25	\$45	\$25	\$60	\$25	\$75	\$28
Medium goods vehicle	\$40	-	\$40	\$30	\$40	\$30	\$55	\$35	\$55	\$35	\$70	\$35	\$85	\$35
Heavy goods vehicle	\$60	-	\$60	\$30	\$60	\$30	\$75	\$35	\$75	\$40	\$90	\$40	\$105	\$40
Single-decked bus	\$30	-	\$30	-	\$30	-	\$45	-	\$45	-	\$60	-	\$75	-
Double-decked bus	\$45	-	\$45	-	\$45	-	\$60	-	\$60	-	\$75	-	\$90	-
Extra axle	\$20	-	\$20	\$0	\$20	\$0	\$25	\$0	\$25	\$0	\$30	\$0	\$35	\$0

Annex B**Existing and New Tolls of Route 3**

	Existing Tolls		New Tolls		Actual Increase
	Statutory	Concessionary	Statutory	Concessionary	
Motorcycles	\$25	\$17	\$30	\$17	\$0
Private cars and Taxi	\$30	\$25	\$35	\$25	\$0
Light bus	\$75	-	\$90	\$75	\$0
Light goods vehicle	\$75	\$28	\$90	\$28	\$0
Medium goods vehicle	\$85	\$35	\$100	\$35	\$0
Heavy goods vehicle	\$105	\$40	\$120	\$40	\$0
Single-decked bus	\$75	-	\$90	\$75	\$0
Double-decked bus	\$90	-	\$105	\$90	\$0
Extra axle	\$35	\$0	\$40	\$0	\$0