

For information**LEGISLATIVE COUNCIL PANEL ON TRANSPORT****Route 3 (Country Park Section) Tolls****Introduction**

This paper informs Members that the new concessionary tolls of the Route 3 (Country Park Section) (“Route 3”) will take effect on 1 January 2013.

Background

2. The Tai Lam Tunnel and Yuen Long Approach Road Ordinance (Cap. 474) (“the Ordinance”) stipulates the toll adjustment mechanism in respect of Route 3, under which the franchisee may effect toll increases on three specified dates (1 January of 2003, 2010 and 2017) (known as “anticipated toll increases”), on the condition that the Actual Net Revenue of the company for the year immediately preceding the year in which a specified date occurs is less than the Maximum Estimated Net Revenue for that year stipulated in Schedule 4 to the Ordinance. In addition, if the Actual Net Revenue of the franchisee for any year is less than the Minimum Estimated Net Revenue for that year as stipulated in Schedule 4 to the Ordinance, the franchisee may advance an anticipated toll increase, and implement an additional toll increase (known as “additional toll increase”) if all the anticipated toll increases have been effected. Regardless of whether it is an anticipated toll increase or additional toll increase, the magnitude of each toll increase must not exceed that stipulated in Schedule 2 to the Ordinance for various categories of vehicles. Tolls adjusted according to the mechanism stipulated in the Ordinance are called “statutory tolls”, which do not require the Administration’s approval.

3. Since the commencement of operation of Route 3 in 1998, the franchisee’s net revenue has consistently fallen short of the level of the Minimum Estimated Net Revenue stipulated in Schedule 4 to the Ordinance. The franchisee has effected all anticipated toll increases by 2005 and subsequently has had 7 additional toll increases. The last additional toll

increase effected by the franchisee to increase the statutory tolls was made on the basis that its 2007/08 Actual Net Revenue was less than the Minimum Estimated Net Revenue of that year specified in Schedule 4 to the Ordinance. The increase in statutory tolls took effect on 1 August 2012. The franchisee has been offering concessions to all categories of vehicles so that actual tolls (or concessionary tolls) are lower than the statutory toll levels. The current actual tolls are maintained at the levels effected since 1 January 2011. A summary of the historical changes in Route 3's toll levels is at **Annex A**.

Latest Position

4. Although the toll adjustment mechanism with respect to Route 3 and the magnitude of each toll increase have already been specified in the Ordinance and do not require the Administration's approval, we have all along urged the franchisee to have due regard to public affordability and acceptability in devising its tolling strategy. The franchisee has recently informed the Government that it must improve its revenue position because its net revenue has consistently fallen short of the levels of the Minimum Estimated Net Revenue stipulated in Schedule 4 to the Ordinance and it still has an outstanding loan of around \$2.5 billion. The franchisee therefore decides to reduce the concessions to certain types of vehicles, namely private cars, taxis and light, medium and heavy goods vehicles with effect from 1 January 2013. Concessionary tolls of other categories of vehicles, namely, motorcycles, private and public light buses, single-decked and double-decked buses as well as extra axle remain the same. The existing and new concessionary tolls of Route 3 are at **Annex B**.

5. Although the franchisee has made the toll adjustments within the levels allowed in the relevant ordinance which do not require approval the Administration's approval, we will continue to reflect to the franchisee that it should have due regard to market reaction and the wider public interest in devising its toll strategy.

**Transport and Housing Bureau
December 2012**

History of Toll Changes of Route 3 (page 1 of 3)

	25 May 1998		11 August 1998		27 October 1998		1 April 2000		18 September 2000		1 April 2001	
	Statutory	Actual	Statutory	Conces- sionary	Statutory	Conces- sionary	Statutory	Conces- sionary	Statutory	Conces- sionary	Statutory	Conces- sionary
Motorcycles	\$10	\$10	\$10	\$10	\$10	\$10	\$15	\$15	\$15	\$15	\$20	\$17
Private cars and Taxis	\$15	\$15	\$15	\$15	\$15	\$15	\$20	\$20	\$20	\$20	\$25	\$22
Public and private Light buses	\$30	\$30	\$30	\$30	\$30	\$30	\$45	\$45	\$45	\$45	\$60	\$60
Light goods vehicles	\$30	\$30	\$30	\$30	\$30	\$23	\$45	\$25	\$45	\$25	\$60	\$25
Medium goods vehicles	\$40	\$40	\$40	\$30	\$40	\$30	\$55	\$35	\$55	\$35	\$70	\$35
Heavy goods vehicles	\$60	\$60	\$60	\$30	\$60	\$30	\$75	\$35	\$75	\$40	\$90	\$40
Single-decked buses	\$30	\$30	\$30	\$30	\$30	\$30	\$45	\$45	\$45	\$45	\$60	\$60
Double-decked buses	\$45	\$45	\$45	\$45	\$45	\$45	\$60	\$60	\$60	\$60	\$75	\$75
Extra axle	\$20	\$20	\$20	\$0	\$20	\$0	\$25	\$0	\$25	\$0	\$30	\$0

History of Toll Changes of Route 3 (page 2 of 3)

	19 June 2005		17 September 2006		19 August 2007		28 December 2008		1 August 2009		4 September 2010	
	Statutory	Conces- sionary	Statutory	Conces- sionary	Statutory	Conces- sionary	Statutory	Conces- sionary	Statutory	Conces- sionary	Statutory	Conces- sionary
Motorcycles	\$25	\$17	\$30	\$17	\$35	\$18	\$40	\$20	\$45	\$20	\$50	\$20
Private cars and Taxis	\$30	\$25	\$35	\$25	\$40	\$28	\$45	\$30	\$50	\$30	\$55	\$30
Public and private Light buses	\$75	\$75	\$90	\$75	\$105	\$90	\$120	\$100	\$135	\$100	\$150	\$100
Light goods vehicles	\$75	\$28	\$90	\$28	\$105	\$30	\$120	\$32	\$135	\$32	\$150	\$32
Medium goods vehicles	\$85	\$35	\$100	\$35	\$115	\$35	\$130	\$40	\$145	\$40	\$160	\$40
Heavy goods vehicles	\$105	\$40	\$120	\$40	\$135	\$40	\$150	\$45	\$165	\$45	\$180	\$45
Single-decked buses	\$75	\$75	\$90	\$75	\$105	\$90	\$120	\$100	\$135	\$100	\$150	\$100
Double-decked buses	\$90	\$90	\$105	\$90	\$120	\$105	\$135	\$120	\$150	\$120	\$165	\$120
Extra axle	\$35	\$0	\$40	\$0	\$45	\$0	\$50	\$0	\$55	\$0	\$60	\$0

History of Toll Changes of Route 3 (page 3 of 3)

	1 January 2011		1 August 2011		1 August 2012	
	Statutory	Conces- sionary	Statutory	Conces- sionary	Statutory	Conces- sionary
Motorcycles	\$50	\$20	\$55	\$20	\$60	\$20
Private cars and Taxis	\$55	\$33	\$60	\$33	\$65	\$33
Public and private Light buses	\$150	\$100	\$165	\$100	\$180	\$100
Light goods vehicles	\$150	\$34	\$165	\$34	\$180	\$34
Medium goods vehicles	\$160	\$40	\$175	\$40	\$190	\$40
Heavy goods vehicles	\$180	\$45	\$195	\$45	\$210	\$45
Single-decked buses	\$150	\$115	\$165	\$115	\$180	\$115
Double-decked buses	\$165	\$135	\$180	\$135	\$195	\$135
Extra axle	\$60	\$0	\$65	\$0	\$70	\$0

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

	Existing Statutory Tolls	Existing Concessionary Tolls	New Concessionary Tolls*	Actual Increase in concessionary tolls
Motorcycles	\$60	\$20	\$20	\$0
Private cars and taxis	\$65	\$33	\$36	\$3
Public and private Light buses	\$180	\$100	\$100	\$0
Light goods vehicles	\$180	\$34	\$38	\$4
Medium goods vehicles	\$190	\$40	\$43	\$3
Heavy goods vehicles	\$210	\$45	\$48	\$3
Single-decked buses	\$180	\$115	\$115	\$0
Double-decked buses	\$195	\$135	\$135	\$0
Extra axle	\$70	\$0	\$0	\$0

* The new concessionary tolls takes effect on 1 January 2013.