

# 立法會

## *Legislative Council*

LC Paper No. CB(4)378/18-19

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### **Paper for the House Committee meeting on 4 January 2019**

#### **Report of the Subcommittee on Tai Lam Tunnel and Yuen Long Approach Road Ordinance (Amendment of Schedule 1) Notice 2018 and Western Harbour Crossing Ordinance (Amendment of Schedule 1) Notice 2018**

#### **Purpose**

This paper reports on the deliberations of the Subcommittee on Tai Lam Tunnel and Yuen Long Approach Road Ordinance (Amendment of Schedule 1) Notice 2018 and Western Harbour Crossing Ordinance (Amendment of Schedule 1) Notice 2018.

#### **Background**

2. The Tai Lam Tunnel and Yuen Long Approach Road Ordinance (Cap. 474) and the Western Harbour Crossing Ordinance (Cap. 436) provide for the statutory toll adjustment mechanisms for Tai Lam Tunnel and Yuen Long Approach Road ("Route 3 (CPS)") and Western Harbour Crossing ("WHC") respectively.

3. Under Cap. 474 and Cap. 436, Route 3 (CPS) Company Limited ("Route 3 Company") and Western Harbour Tunnel Company Limited ("WHTCL") may respectively, during the franchise period and subject to the relevant requirements stipulated in Cap. 474 and Cap. 436, apply in writing to the Secretary for Transport and Housing ("STH") to give effect to anticipated toll increases on certain specified dates.<sup>1</sup> If the Actual Net Revenue ("ANR") of Route 3 Company and WHTCL for any year which is not a year immediately preceding a year in which a specified date occurs is less than the Minimum

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<sup>1</sup> Section 39 of Cap. 474 stipulates that Route 3 Company may give effect to toll increases on each of three specified dates in Schedule 3 to Cap. 474 (i.e. 1 January of 2003, 1 January 2010 and 1 January 2017). Section 45 of Cap. 436 stipulates that WHTCL may give effect to toll increases on each of six specified dates in Schedule 4 to Cap. 436 (i.e. 1 January of 2001, 1 January 2005, 1 January 2009, 1 January 2013, 1 January 2017 and 1 January 2021).

Estimated Net Revenue ("MENR") for that year as specified in Schedule 4 to Cap. 474 and Schedule 5 to Cap. 436, Route 3 Company and WHTCL may apply to STH to give effect to the next anticipated toll increase. If Route 3 Company and WHTCL have effected all the anticipated toll increases and their ANR for any year occurring before the expiry of the franchise period is less than their MENR for that year as specified in Schedule 4 to Cap. 474 and Schedule 5 to Cap. 436, they may apply for additional toll increases. The Administration cannot disapprove an application for additional toll increase if it is satisfied that the statement of ANR in respect of the relevant year is accurate.

4. Route 3 Company applied for an additional toll increase in August 2014 because its ANR for 2013-2014 (\$904 million) was lower than its MENR for that year specified in Schedule 4 to Cap. 474 (\$2,059 million). It informed the Administration in July 2018 that it would like to effect the new statutory toll increase on 1 August 2018.

5. WHTCL applied for an additional toll increase in August 2015 because its ANR for 2014-2015 (\$1,320 million) was lower than its MENR for that year specified in Schedule 5 to Cap. 436 (\$2,733 million). It informed the Administration in June 2018 that it would like to effect the new statutory toll increase on 31 July 2018.

6. Route 3 Company and WHTCL will continue to offer the prevailing concessions to all types of vehicles so that the current concessionary tolls will be maintained notwithstanding the present increase in statutory tolls. Therefore, users of Route 3(CPS) and WHC will not be affected by the changes in the statutory tolls.

#### **L.N. 145 and L.N. 146**

7. The Tai Lam Tunnel and Yuen Long Approach Road Ordinance (Amendment of Schedule 1) Notice 2018 (L.N. 145) is made under section 45(1) of Cap. 474 to replace Schedule 1 to Cap. 474 with a new Schedule 1 to reflect the new statutory tolls payable for the use of Route 3 (CPS) with effect from 1 August 2018. A comparison of the toll levels before and after the increase on 1 August 2018 is in **Appendix I**.

8. The Western Harbour Crossing Ordinance (Amendment of Schedule 1) Notice 2018 (L.N. 146) is made under section 52(1) of Cap. 436 to replace Schedule 1 to Cap. 436 with a new Schedule 1 to reflect the new statutory tolls payable for the use of WHC with effect from 31 July 2018. A comparison of the toll levels before and after the increase on 31 July 2018 is in **Appendix II**.

9. L.N. 145 and L.N. 146 were published in the Gazette on 27 July 2018. Section 34 of the Interpretation and General Clauses Ordinance (Cap. 1) does not apply to L.N. 145 and L.N. 146; and accordingly, they are not required to be tabled at, and are not subject to amendment by, the Legislative Council.

### **The Subcommittee**

10. At the House Committee meeting on 5 October 2018, Members agreed to form a subcommittee to study L.N. 145 and L.N. 146. Under the chairmanship of Hon YIU Si-wing, the Subcommittee held a meeting with the Administration. The membership list of the Subcommittee is in **Appendix III**.

### **Deliberations of the Subcommittee**

11. Members are of the view that given the existing toll adjustment mechanism for WHC, there is nothing the Administration can do to prevent statutory toll increases. They are worried that WHC will continue to increase statutory tolls before the franchise expiry in 2023. Some members have enquired whether the Administration's toll adjustment proposal for the rationalization of traffic distribution among the three road harbour crossings ("RHCs"), namely WHC, Eastern Harbour Crossing ("EHC") and Cross Harbour Tunnel ("CHT"), will have any impact on WHC's statutory toll levels.

12. The Administration has explained that since the commissioning of WHC in 1997, WHTCL has given effect to a number of statutory toll increases according to the toll adjustment mechanism under Cap. 436 because its ANR has consistently fallen short of MENR level stipulated in Cap. 436. In order to utilize the spare capacity of WHC and tackle traffic congestion at EHC and CHT, the Administration has proposed adjustments to tolls on private cars, motorcycles and taxis using the three RHCs, with a view to encouraging more use of WHC for the overall benefit of society. For implementing the toll adjustment proposal, the Administration and WHTCL has agreed in principle to a WHC Toll Compensation Scheme ("the Scheme"). Taking private cars as an example, the actual toll for private cars using WHC will be lowered and fixed at \$50 from 1 January 2020 until the franchise expiry on 1 August 2023. For each single journey made by a private car using WHC, the Administration will compensate WHTCL the difference between the proposed prescribed toll (i.e. \$50) and the anticipated future actual toll levels of WHTCL. At the same time, EHC and CHT tolls are proposed to be increased to achieve traffic re-distribution. As the traffic flow of WHC is expected to improve with the implementation of the toll adjustment proposal, WHTCL's ANR will likely increase accordingly. In case its ANR

exceeds MENR, WHTCL will not be entitled to increase the statutory tolls under Cap. 436.

13. Some members have enquired whether the total compensation payable by the Administration under the Scheme will increase correspondingly with the increase in statutory tolls. As advised by the Administration, the calculation of compensation amount will be based on WHTCL's anticipated future actual toll levels and is not related to statutory toll levels. Moreover, the compensation under the Scheme will be capped at \$1,800 million.

14. Some members are also concerned about the effectiveness of the Administration's toll adjustment proposal for the three RHCs in rationalizing their traffic distribution. To enable members of the public to better understand the toll adjustment proposal, a member has requested the Administration to publicize the findings and analysis used to formulate the proposal, including key input assumptions, transport mode, different options of toll adjustment for the three RHCs, effects on traffic flows of the three RHCs under different tolling scenarios, traffic volumes of the connecting roads of the three RHCs, etc. According to the Administration, the toll adjustment proposal for the three RHCs has been formulated with the findings of the Study on the rationalization of traffic distribution among the three RHCs commissioned by the Transport Department which has already uploaded the Study report on its website.<sup>2</sup>

### **Advice sought**

15. The House Committee is invited to note the deliberations of the Subcommittee.

Council Business Division 4  
Legislative Council Secretariat  
2 January 2019

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<sup>2</sup> The report of the Study can be found on (English version only):  
<https://www.td.gov.hk/filemanager/en/publication/toll%20rationalisation%20study%20-%20final%20report.pdf>

### Tai Lam Tunnel and Yuen Long Approach Road Tolls

Category	Vehicle	Statutory tolls (\$)		Concessionary tolls (\$)
		Before increase	w.e.f. 1 August 2018	
1.	Motorcycles, motor tricycles	85	90	20
2.	Private cars, electrically powered passenger vehicles, taxis	90	95	44
3.	Public and private light buses	255	270	100
4.	(a) Light goods vehicles and special purpose vehicles of a permitted gross vehicle weight not exceeding 5.5 tonnes	255	270	45
	(b) In a vehicle specified in paragraph (a), each additional axle in excess of 2	95	100	0
5.	(a) Medium goods vehicles and special purpose vehicles of a permitted gross vehicle weight exceeding 5.5 tonnes but not exceeding 24 tonnes	265	280	50
	(b) In a vehicle specified in paragraph (a), each additional axle in excess of 2	95	100	0
6.	(a) Heavy goods vehicles and special purpose vehicles of a permitted gross vehicle weight exceeding 24 tonnes	285	300	55
	(b) In a vehicle specified in paragraph (a), each additional axle in excess of 2	95	100	0
7.	Public and private single-decked buses	255	270	130
8.	Public and private double-decked buses	270	285	153

## Western Harbour Crossing Tolls

Category	Vehicle	Statutory tolls (\$)		Concessionary tolls (\$)
		Before increase	w.e.f. 31 July 2018	
1.	Motorcycles, motor tricycles	130	140	25
2.	Private cars, electrically powered passenger vehicles	225	240	70
	Taxis	225	240	65
3.	Public and private light buses	270	290	80
4.	(a) Light goods vehicles and special purpose vehicles of a permitted gross vehicle weight not exceeding 5.5 tonnes	320	340	80
	(b) In a vehicle specified in paragraph (a), each additional axle in excess of 2	225	240	30
5.	(a) Medium goods vehicles and special purpose vehicles of a permitted gross vehicle weight exceeding 5.5 tonnes but not exceeding 24 tonnes	490	525	105
	(b) In a vehicle specified in paragraph (a), each additional axle in excess of 2	225	240	30
6.	(a) Heavy goods vehicles and special purpose vehicles of a permitted gross vehicle weight exceeding 24 tonnes	680	725	135
	(b) In a vehicle specified in paragraph (a), each additional axle in excess of 2	225	240	30
7.	Public and private single-decked buses	270	290	130
8.	Public and private double-decked buses	400	430	185

## Appendix III

### **Subcommittee on Tai Lam Tunnel and Yuen Long Approach Road Ordinance (Amendment of Schedule 1) Notice 2018 and Western Harbour Crossing Ordinance (Amendment of Schedule 1) Notice 2018**

#### **Membership list\***

<b>Chairman</b>	Hon YIU Si-wing, BBS
<b>Members</b>	Hon Frankie YICK Chi-ming, SBS, JP Hon WU Chi-wai, MH Hon CHAN Han-pan, BBS, JP Dr Hon KWOK Ka-ki Hon HO Kai-ming Hon LAU Kwok-fan, MH Hon Kenneth LAU Ip-keung, BBS, MH, JP  (Total : 8 Members)
<b>Clerk</b>	Ms Angel WONG
<b>Legal Adviser</b>	Ms Vanessa CHENG
<b>Date</b>	23 November 2018

\* Changes in membership are shown in Annex to Appendix III

## Annex to Appendix III

### Subcommittee on Tai Lam Tunnel and Yuen Long Approach Road Ordinance (Amendment of Schedule 1) Notice 2018 and Western Harbour Crossing Ordinance (Amendment of Schedule 1) Notice 2018

#### Changes in membership

<b>Member</b>	<b>Relevant date</b>
Hon Jeremy TAM Man-ho	Up to 22 November 2018