

LCQ4: Tolls of the three road harbour crossings

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Following is a question by the Hon Chim Pui-chung and a written reply by the Secretary for Transport and Housing, Ms Eva Cheng, at the Legislative Council meeting today (April 6):

Question:

At present, the three road harbour crossings ("RHCs") in Hong Kong charge tolls of different levels, while the courts, in principle, do not charge the public for their major services apart from collecting specified fees in respect of legal proceedings. In this connection, will the Government inform this Council:

- (a) of the reasons for the aforesaid two different policies on fees collection; and
- (b) whether it has considered buying out the franchises of all RHCs and opening them for public use free of charge; if not, of the reasons for that and the principle involved?

Reply:

President,

(a) The Eastern Harbour Crossing (EHC) and Western Harbour Crossing (WHC) were constructed adopting the Build-Operate-Transfer (BOT) mode. The two major principles of the Government in adopting the BOT mode in constructing and operating tunnels are: (i) the Government should encourage private participation and optimise the use of public resources, and, where feasible, adopt appropriate modes of public-private-partnership (PPP); and (ii) as investors of PPP projects are required to make substantial upfront capital investment, they should be given the opportunity to make a reasonable return on their investment while bearing the commercial risk. The toll adjustment mechanisms of the BOT tunnels were drawn up having regard to factors including the social climate and economic condition, traffic condition, interest rate, investment opportunities and return at the time of construction. These mechanisms are enshrined in the relevant legislation and form part of the agreements between the Government and the franchisees concerned, and can be changed only by mutual agreement. As for the tolls of the Cross Harbour Tunnel (CHT), the Government will take into account relevant factors including the costs, traffic

management as well as public affordability and acceptability in setting the toll levels.

The court charges of the Judiciary are set according to the Government's general fee charging policy. Apart from the "user pays" principle, relevant factors such as the costs, nature of the service as well as public affordability and acceptability will also be taken into account in setting the charges.

(b) The Government commissioned a consultancy study in November 2008 with a view to improving the distribution of traffic among the three road harbour crossings (RHCs). As pointed out by the consultancy report, buy-back is only one of the options to implement toll adjustments and should not be adopted with the sole objective of reducing the tolls of individual RHCs. We should consider whether an option is able to improve traffic distribution among the three RHCs, cost-effective and in line with the public interest. The consultants also pointed out that even if the buy-back option is adopted, it has to be combined with a toll adjustment in order to regulate the traffic flows at the RHCs effectively.

In considering proposals such as buying-back EHC and/or WHC and making them toll-free, the Government has to consider the principles in setting tunnel tolls as set out in part (a) above. Among others, a requisite consideration is the traffic implication of such a proposal: whether making the RHCs toll-free would induce additional cross-harbour trips, causing further congestion at CHT and resulting in serious congestion at the three RHCs and their connecting roads, etc.

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