

TAC discusses fare increase applications from CTB and NWFB and proposal on tunnel traffic rationalisation

The following is issued on behalf of the Transport Advisory Committee:

The Transport Advisory Committee (TAC) discussed today (October 30) the applications for fare increases from the Citybus Limited (Franchise for Hong Kong Island and Cross-Harbour Bus Network) (CTB(F1)) and New World First Bus Services Limited (NWFB), as well as the Government's toll adjustment proposal for the three road harbour crossings (RHCs).

The TAC Chairman, Professor Stephen Cheung, said that in deliberating on the applications from CTB(F1) and NWFB, the TAC had considered and balanced a basket of factors under the Fare Adjustment Arrangement for franchised buses (FAA). These factors include public acceptability and affordability, service performance of the bus companies and the past and forecast financial performance of the companies, as well as a supportable fare increase rate computed through a formula making reference to changes in the Composite Consumer Price Index and the wage index. The TAC was also briefed on the outcome of the review of the FAA.

Professor Cheung said, "Similar to other fare increase applications, the TAC will submit its recommendation to the Government for consideration by the Executive Council."

In addition, Members of the TAC discussed the toll adjustment proposal proposed by the Government for the rationalisation of traffic distribution among the three RHCs, namely the Cross-Harbour Tunnel (CHT), Eastern Harbour Crossing (EHC) and Western Harbour Crossing (WHC). According to the proposal, tolls for private cars, taxis and motorcycles using the CHT and EHC will be increased, while the corresponding tolls for using the WHC will be lowered. The Government and the WHC franchisee have agreed in principle to a proposed WHC Toll Compensation Scheme.

Professor Cheung said, "Members noted that the Government used a transport numerical model with sound scientific basis and a large amount of data analysed to project traffic volumes under various toll scenarios, before proposing the toll adjustments for rationalising traffic distribution among the three RHCs. Members welcomed the proposed toll levels, which are expected to shorten the total peak-hour traffic queue lengths at the CHT and EHC by 10 per cent to over 40 per cent and reduce by as much as 13 minutes the tunnel travelling time for certain cross-harbour vehicles. By effectively alleviating cross-harbour traffic congestion and reducing the impact on non-cross-harbour traffic and many public transport passengers, the proposal is expected to generate about \$800 million of social cost savings per year and

reduce emission from vehicles, for the overall benefit of society.

"The Government briefed Members in detail on the projected traffic volume under other toll adjustment suggestions raised by the community, such as reducing the magnitude of toll increases for private cars using the CHT and EHC. Members agreed that these suggestions would not be practicable from a traffic management perspective because they could result in traffic congestion at the EHC worse than not making any toll adjustments at all, or lengthen traffic queues at the WHC to an extent that could obstruct non-cross-harbour traffic."

FS welcomes publication of annual report of Process Review Panel for the Securities and Futures Commission

The Financial Secretary, Mr Paul Chan, today (October 30) welcomed the publication of the annual report of the Process Review Panel for the Securities and Futures Commission (PRP), which covers the work of the PRP in 2017-18.

"Last year, the PRP has again conducted a comprehensive review of the internal processes and procedures of the Securities and Futures Commission (SFC) through selected cases. In its annual report, the PRP has made a number of observations and recommendations which are conducive to the fair and consistent exercise of the regulatory powers by the SFC. The work of the PRP has contributed to enhancing the transparency and accountability of the SFC," Mr Chan said.

"I would like to thank the Chairman, Dr Moses Cheng Mo-chi, the non-official members and ex-officio members of the PRP for their valuable contribution in the past year," he added.

The PRP is an independent panel established by the Chief Executive to review the internal operational procedures of the SFC and to determine whether the SFC has followed its internal procedures for ensuring fairness and consistency.

Transport Department to issue remaining Closed Road Permits to Hong Kong cross-boundary private cars using HZMB

The Transport Department (TD) announced today (October 30) that letters have been sent to Hong Kong cross-boundary private car quota holders using the Hong Kong-Zhuhai-Macao Bridge (HZMB) who have applied for the Closed Road Permit (CRP) to notify them to go to the Cross Boundary Unit of the TD (Address: Room 1032, 10/F, Harbour Building, 38 Pier Road, Central, Hong Kong) to complete the necessary procedures during the period specified in the letter (with the first collection period starting from next Monday (November 5)). They are required to bring along the letter, the required supporting documents and the fee to collect the CRP.

The Guangdong and Hong Kong governments earlier agreed to set the quota at 10 000 for Hong Kong cross-boundary private cars using the HZMB. To strengthen preparedness for the increased traffic flow during the initial period upon the commissioning of the HZMB, the TD announced on May 25 that it would issue CRPs to Hong Kong cross-boundary private car quota holders using the HZMB in phases. Around 5 000 CRPs were issued before the commissioning of the HZMB. With the commissioning of the mainline of the Southern Connection of the Tuen Mun-Chek Lap Kok Link with the HZMB, the traffic flow at the Hong Kong Port, the airport and in the vicinity of Tung Chung is generally smooth. The TD will issue the remaining 5 000 CRPs to applicants in order of their applications. It is anticipated that all the CRPs will be issued by the end of November.

Applicants are reminded to collect the CRP according to the collection period as specified in the letter to avoid a long queuing time.

Separately, the TD reiterated that owners of Hong Kong cross-boundary private cars under the regular quota for using other boundary crossings (i.e. Shenzhen Bay, Lok Ma Chau (Huanggang), Man Kam To and Sha Tau Kok) cannot use the HZMB to travel to the Zhuhai Port at this stage. The TD will continue to closely monitor the traffic situation in the vicinity of the Hong Kong Port, and will issue letters to owners of these cross-boundary private cars informing them of the arrangements for using the HZMB in due course.

Tender awarded for site on Lantau Island

The Lands Department announced today (October 30) that the tender for a site, Lot No. 766 in Demarcation District No. 332 at South Lantau Road, Cheung Sha, Lantau Island, New Territories, has been awarded to the highest tenderer, Fully Fortune Corporation Limited, on a 50-year land grant at a premium of \$160 million.

The tenderers, other than the successful tenderer, in alphabetical order, with the name of the parent company where provided by the tenderer in brackets, were:

- (1) Cosmic Fortune Limited (Wheelock Properties Limited);
- (2) Eternal Focus Limited (Sino Land Company Limited);
- (3) Lucky Phoenix Limited (The Development Studio Limited);
- (4) Turnwell Limited (K Wah International Holdings Limited); and
- (5) View Luxury International Limited (Oasis Trade Holdings Limited).

Lot No. 766 in Demarcation District No. 332 has a site area of about 5 503 square metres and is designated for private residential purposes. The minimum gross floor area is 1 321 sq m and the maximum gross floor area that may be attained is 2 201 sq m.

Process Review Panel for the SFC publishes annual report

The Process Review Panel (PRP) for the Securities and Futures Commission (SFC) today (October 30) published its annual report covering the work of the PRP in 2017-18.

The PRP Chairman for 2017-18, Dr Moses Cheng, said, "In 2017-18, the PRP reviewed 60 completed or closed cases under different areas of the work of the SFC. The PRP made a number of observations and recommendations to the SFC for its consideration, which would be conducive to the SFC's enhancement of procedures and guidelines.

"We are thankful to the SFC for its co-operation and support in facilitating the work of the PRP, as well as its positive response to our recommendations," he added.

The PRP welcomes views from market participants and the public on the work of the PRP. They may send their views to the PRP by email at

prp@fstb.gov.hk.

The annual report has been uploaded onto the website of the Financial Services and the Treasury Bureau (www.fstb.gov.hk/fsb/topical/afsreport.htm).