

LEGISLATIVE COUNCIL PANEL ON TRANSPORT

Western Harbour Crossing - Toll Increase

Purpose

This paper informs Members of the latest position of the proposed toll increase for the Western Harbour Crossing (WHC).

Background

2. The Western Harbour Crossing Ordinance (Cap. 436) provides for a specified toll adjustment mechanism in respect of the WHC. Under the Ordinance, the franchisee may effect toll increases on certain specified dates spread over the 30-year franchise period. If the actual net revenue in respect of any year that is not a year ending immediately before the specified dates is less than the minimum estimated net revenue for that particular year as specified in the schedule to the Ordinance, the franchisee may advance the toll increase. The maximum levels of increase in respect of different categories of vehicles are also specified in the schedule to the Ordinance.

3. In August 1998, the franchisee indicated its intention to advance a toll increase to 1 January 1999. As required under the specified toll adjustment mechanism, we carefully examined the 1997/98 Net Revenue Statement (NRS) of WHC and noted that the franchisee suffered a net loss of \$208 million as against the minimum estimated net revenue of \$154 million specified in Schedule 5 of the Ordinance for that year. While the franchisee may advance the toll increase to 1 January 1999 under the law, we expressed to the franchisee our concern for a toll increase during the extant economic climate as well as the need to strike a balance between commercial interest and the interest of the public at large. The franchisee decided not to effect a toll increase in 1999.

4. In August 1999, the franchisee indicated its intention to advance a toll increase to 1 January 2000. We carefully examined the 1998/99 NRS of WHC and noted that it showed a net loss of \$52 million as against the minimum estimated net revenue of \$201 million for the year specified in the Ordinance. While the franchisee may effect a toll increase on 1 January 2000, we again brought to the franchisee's attention our concern for a toll increase at a time when the economy was just starting to show signs of recovery. The franchisee decided then to defer the toll increase but to keep the matter under review.

Present Position

5. The average daily throughput for WHC from August 1999 to July 2000 is 41,756. The franchisee has continued to incur a substantial loss. It notified the Administration in October 2000 of its intention to increase tolls with effect from 3 December 2000. Having regard to the fact that the economy is just starting to recover, the franchisee has decided to offer concessionary tolls for private cars, taxis, light buses and all types of goods vehicles after the toll increase. The toll level for additional axles will also remain unchanged. A table showing the existing tolls and new tolls of WHC with effect from 3 December 2000 is at Annex. Details of the concessionary tolls provided by the franchisee have also been incorporated.

6. The franchisee has complied with the requirements under the Ordinance to effect the proposed toll increase. It has forfeited its right to effect a toll increase on 1 January 1999 based on the 1997/98 NRS and has deferred the toll increase based on the 1998/99 NRS for almost a year since 1 January 2000. We have nevertheless urged the franchisee again to have regard to the interest of the general public and to consider further deferring the toll increase. The franchisee has now informed us that it has decided to adhere to its intention of increasing tolls on 3 December 2000 given its substantial accumulated loss. It has also confirmed that sufficient publicity will be made to advise the public of the new tolls.

Transport Bureau
November 2000
(TBCR 1/4651/99)

Existing Tolls and New Tolls of Western Harbour Crossing

Statutory Tolls

	Current Tolls	Increase Allowed Under the WHC Ordinance	Gazetted New Tolls with effect from 3/12/2000
Motorcycle	\$15	\$5	\$20
Private Car, Taxi *	\$30	\$10	\$40
Light Bus *	\$40	\$10	\$50
Light Goods Vehicle *	\$45	\$15	\$60
Medium Goods Vehicle *	\$65	\$20	\$85
Heavy Goods Vehicle *	\$95	\$30	\$125
Single-Deck Bus	\$40	\$10	\$50
Double-Deck Bus	\$55	\$15	\$70
Additional Axle *	\$30	\$10	\$40

* Concessionary Tolls

	Current Tolls	New Tolls with effect from 3/12/2000
Private Car, Taxi	\$30	\$35
Light Bus	\$40	\$45
Light Goods Vehicle	\$45	\$50
Medium Goods Vehicle	\$65	\$70
Heavy Goods Vehicle	\$95	\$100
Additional Axle	\$30	\$30