

LEGISLATIVE COUNCIL PANEL ON TRANSPORT

Western Harbour Crossing Tolls

Purpose

This paper informs Members of the new statutory toll levels of Western Harbour Crossing (WHC) with effect from 24 February 2004. Concessionary tolls will at the same time be offered to all categories of vehicles so that the current toll levels will remain unchanged.

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 — 1 January of 2001, 2005, 2009, 2013, 2017 and 2021. However, if the franchisee's actual net revenue in any year that is not a year ending immediately before the specified dates falls short of the minimum estimated net revenue for that year set out in Schedule 5 to Cap. 436, the franchisee may advance the toll increase. The maximum levels of increase in respect of different categories of vehicles are specified in Schedule 2 to Cap. 436.

3. Since the operation of WHC in April 1997, the Company's net revenue has consistently fallen short of the specified levels. Hence, under the law, the WHC would have been entitled to advance six rounds of toll increase by now. To date, WHC has increased its tolls twice in 2000 and 2003. Concessionary tolls are currently offered to all vehicles classes except single-decked and double-decked buses. The concessions have essentially maintained the tolls at or below the 2000 statutory levels.

4. The last toll increase of WHC was made on the basis of its 1999/2000 Net Revenue Statement (NRS). The Administration gazetted the new statutory tolls on 26 July 2002. While the tolls were to take effect on 31 July 2002, the Company offered concessionary tolls to all vehicles from the same date so that the then prevailing toll levels were maintained. Subsequently, due to financial considerations, the Company reduced the concessions for private cars, private/public light buses, and single/double decked buses on 16 February 2003. A summary of the historical changes in WHC's toll levels is at **Annex A**.

5. The franchisee of WHC submitted its 2000/01 NRS in late 2001. As required under the specified toll adjustment mechanism, we carefully examined the NRS of WHC and noted that the franchisee's net revenue of \$172.2 million was lower than the minimum estimated net revenue of \$506 million specified in Schedule 5 to Cap. 436 for that year. While the franchisee may effect a toll increase under the law, we brought to the franchisee's attention our concern for such an increase under the prevailing economic condition, stressing that the franchisee should strike a balance between commercial considerations and public interest.

Latest Position

6. The franchisee notified the Government in late November 2003 its decision to exercise its right to a statutory toll increase on the basis of its 2000/01 NRS and effect the toll increase from 24 February 2004 (**Annex B**). At the same time, the franchisee decided to offer concessions for all categories of vehicles so that the current tolls would be maintained.

7. The franchisee has complied with the requirements under Cap. 436 to effect the proposed toll increase and we are required under the law to publish the new tolls in the gazette accordingly. We have nonetheless reminded the Company that the current tolls should be maintained through concessions, and that they should explain clearly to the public the difference between gazetting of new statutory toll levels and the maintaining of the concessions which will render the effective tolls unchanged. We have also requested that sufficient advance notice be given to the public should there be any changes to the concessionary tolls in future.

Government Secretariat
Environment, Transport and Works Bureau
12 February 2004

Annex A**Historical Toll Levels of the Western Harbour Crossing**

Vehicle Type	30 Apr 1997		3 Dec 2000 ¹		31 Jul 2002 ²		16 Feb 2003 ³	
	Statutory	Concessionary	Statutory	Concessionary	Statutory	Concessionary	Statutory	Concessionary
Motorcycles	\$15	N/A	\$20	N/A	\$25	\$20	\$25	\$20
Private Cars	\$30	N/A	\$40	\$35	\$50	\$35	\$50	\$37
Taxis	\$30	N/A	\$40	\$35	\$50	\$35	\$50	\$35
Public & Private Light Buses	\$40	N/A	\$50	\$45	\$60	\$45	\$60	\$47
Light Goods Vehicles	\$45	N/A	\$60	\$50	\$75	\$50	\$75	\$50
Medium Goods Vehicles	\$65	N/A	\$85	\$70	\$105	\$70	\$105	\$70
Heavy Goods Vehicles	\$95	N/A	\$125	\$100	\$155	\$100	\$155	\$100
Public & Private Single-decked Buses	\$40	N/A	\$50	N/A	\$60	\$50	\$60	N/A
Public & Private Double-decked Buses	\$55	N/A	\$70	N/A	\$85	\$70	\$85	N/A
Each additional axle in excess of two	\$30	N/A	\$40	\$30	\$50	\$30	\$50	\$30

¹ Toll increase based on 1998/99 NRS

² Toll increase based on 1999/2000 NRS

³ Reductions in concessions

**Table showing the Current and New Statutory tolls of
Western Harbour Tunnel**

Vehicle Type	Current Toll		New Toll		Actual Increase
	Statutory	Concessionary	Statutory	Concessionary	
Motorcycle	\$25	\$20	\$30	\$20	\$0
Private Car	\$50	\$37	\$60	\$37	\$0
Taxi	\$50	\$35	\$60	\$35	\$0
Public & Private Light Bus	\$60	\$47	\$70	\$47	\$0
Light Goods Vehicles	\$75	\$50	\$90	\$50	\$0
Medium Goods Vehicles	\$105	\$70	\$125	\$70	\$0
Heavy Goods Vehicles	\$155	\$100	\$185	\$100	\$0
Single-decked Bus	\$60	N/A	\$70	\$60	\$0
Double-decked Bus	\$85	N/A	\$100	\$85	\$0
Each extra axle (goods vehicles only)	\$50	\$30	\$60	\$30	\$0