

LEGISLATIVE COUNCIL PANEL ON TRANSPORT

Western Harbour Crossing Tolls

Introduction

This paper informs Members of the new statutory toll levels of the Western Harbour Crossing (WHC) that will take effect from 31 July 2007. It also informs Members that the WHC will continue to offer the existing concessionary tolls to all categories of vehicles. Hence, *the actual toll levels will remain unchanged* and users will not be affected by the exercise.

Background

2. The Western Harbour Crossing Ordinance (Cap. 436) (the Ordinance) provides for a specified toll adjustment mechanism in respect of WHC. Under the Ordinance, the franchisee may effect anticipated toll increases on six specified dates (1 January 2001, 1 January 2005, 1 January 2009, 1 January 2013, 1 January 2017 and 1 January 2021). However, if the franchisee's actual net revenue in any year falls short of the minimum estimated net revenue for that year specified in Schedule 5 to the Ordinance, the franchisee may advance an anticipated toll increase or create an additional toll increase if all the anticipated toll increases have been effected. The maximum levels of increase in respect of different categories of vehicles are specified in Schedule 2 to the Ordinance.

3. Since the operation of WHC in 1997, the franchisee's net revenue has consistently fallen short of the specified levels. The last toll increase of WHC was made on the basis of its 2002/03 Net Revenue Statement (NRS) and took effect on 31 July 2006. However, the franchisee offered concessionary tolls for all vehicles from the same date so that the July 2004 toll levels were maintained. A summary of the historical changes in WHC's toll levels is at **Annex A**.

4. The franchisee of WHC submitted its 2003/04 NRS in August 2004. As required under the specified toll adjustment mechanism, we carefully examined the NRS of WHC and noted that the franchisee's net

revenue of \$400 million was lower than the minimum net revenue of \$880 million for that year specified in Schedule 5 to the Ordinance. We have however urged the franchisee to have due regard to public affordability and acceptability in devising its tolling strategy, and the franchisee has withheld effecting the statutory toll increase.

Present Position

5. The franchisee recently notified the Administration of its decision to exercise its right to a statutory toll increase on the basis of its 2003/04 NRS and to effect the new toll levels (at **Annex B**) on 31 July 2007. At the same time, the franchisee will continue to offer concessions to all types of vehicles so that the current toll levels (at July 2004 level) would be maintained and users will not be affected.

6. The franchisee has complied with the requirements under the Ordinance to effect the statutory toll increase. We have nevertheless reminded the franchisee that they should explain clearly to the public the difference between gazetting the new statutory tolls and maintaining the concessions so that the actual toll levels for all vehicles remain unchanged.

Transport and Housing Bureau
July 2007

Annex A**Historical Toll Levels of WHC**

	30 April 1997		3 December 2000		31 July 2002		16 February 2003		24 February 2004		4 July 2004		31 July 2005		31 July 2006	
	Statutory	Conces- sionary	Statutory	Conces- sionary	Statutory	Conces- sionary	Statutory	Conces- sionary	Statutory	Conces- sionary	Statutory	Conces- sionary	Statutory	Conces- sionary	Statutory	Conces- sionary
Motorcycles	\$15	\$15	\$20	\$20	\$25	\$20	\$25	\$20	\$30	\$20	\$30	\$22	\$35	\$22	\$40	\$22
Private cars	\$30	\$30	\$40	\$35	\$50	\$35	\$50	\$37	\$60	\$37	\$60	\$40	\$70	\$40	\$80	\$40
Taxis	\$30	\$30	\$40	\$35	\$50	\$35	\$50	\$35	\$60	\$35	\$60	\$35	\$70	\$35	\$80	\$35
Light buses	\$40	\$40	\$50	\$45	\$60	\$45	\$60	\$47	\$70	\$47	\$70	\$50	\$80	\$50	\$90	\$50
Light goods vehicles	\$45	\$45	\$60	\$50	\$75	\$50	\$75	\$50	\$90	\$50	\$90	\$55	\$105	\$55	\$120	\$55
Medium goods vehicles	\$65	\$65	\$85	\$70	\$105	\$70	\$105	\$70	\$125	\$70	\$125	\$80	\$145	\$80	\$165	\$80
Heavy goods vehicles	\$95	\$95	\$125	\$100	\$155	\$100	\$155	\$100	\$185	\$100	\$185	\$110	\$215	\$110	\$245	\$110
Single-decked buses	\$40	\$40	\$50	\$50	\$60	\$50	\$60	\$60	\$70	\$60	\$70	\$70	\$80	\$70	\$90	\$70
Double-decked buses	\$55	\$55	\$70	\$70	\$85	\$70	\$85	\$85	\$100	\$85	\$100	\$100	\$115	\$100	\$130	\$100
Additional axle	\$30	\$30	\$40	\$30	\$50	\$30	\$50	\$30	\$60	\$30	\$60	\$30	\$70	\$30	\$80	\$30

Annex B

Existing and New Tolls of WHC

	Existing Tolls		New Tolls		Actual Increase
	Statutory	Concessionary	Statutory	Concessionary	
Motorcycles	\$40	\$22	\$45	\$22	\$0
Private cars	\$80	\$40	\$90	\$40	\$0
Taxis	\$80	\$35	\$90	\$35	\$0
Light buses	\$90	\$50	\$100	\$50	\$0
Light goods vehicles	\$120	\$55	\$135	\$55	\$0
Medium goods vehicles	\$165	\$80	\$185	\$80	\$0
Heavy goods vehicles	\$245	\$110	\$275	\$110	\$0
Single-decked buses	\$90	\$70	\$100	\$70	\$0
Double-decked buses	\$130	\$100	\$145	\$100	\$0
Additional axle	\$80	\$30	\$90	\$30	\$0