

For information**LEGISLATIVE COUNCIL PANEL ON TRANSPORT****Western Harbour Crossing Tolls****Introduction**

This note informs Members that the new concessionary tolls of the Western Harbour Crossing (“WHC”) will take effect on 22 February 2015.

Background

2. The Western Harbour Crossing Ordinance (Cap. 436) (“the Ordinance”) stipulates the toll adjustment mechanism in respect of WHC, under which the franchisee may effect toll increases on six specified dates (i.e., 1 January on 2001, 2005, 2009, 2013, 2017 and 2021) (known as “anticipated toll increases”), on the condition that the Actual Net Revenue of the franchisee in respect of a year ending immediately before a specified date is less than the Upper Estimated Net Revenue for that year as stipulated in Schedule 5 to the Ordinance. In addition, if in any year the Actual Net Revenue of the franchisee is less than the Minimum Estimated Net Revenue for that year as stipulated in Schedule 5 to the Ordinance, the franchisee may advance an anticipated toll increase, and may implement an additional toll increase (known as “additional toll increase”) if all the anticipated toll increases have been effected. Regardless of whether it is an anticipated toll increase or additional toll increase, the magnitude of each toll increase must not exceed that stipulated in the Ordinance for various categories of vehicles. Tolls adjusted according to the mechanism stipulated in the

Ordinance are called “statutory tolls”, which do not require the Government’s approval.

3. The Ordinance also provides for the establishment of the Western Harbour Crossing Toll Stability Fund (“Fund”), and for the payment of specified sums by the franchisee into the Fund when the Actual Net Revenue of the franchisee in any year exceeds the Upper Estimated Net Revenue or the Maximum Net Revenue specified in Schedule 5 to the Ordinance. The objective of establishing the Fund is to obviate the need for, or defer, any statutory toll increase as payment can be made from the Fund to the franchisee when there is money in the Fund.

4. Since the commencement of operation of WHC in 1997, the franchisee’s net revenue has consistently fallen short of the level of the Minimum Estimated Net Revenue stipulated in Schedule 5 to the Ordinance. There is therefore no balance in the Fund. By 31 July 2006, the franchisee has effected five anticipated toll increases¹ and subsequently has had eight additional toll increases. The last additional toll increase effected by the franchisee to increase the statutory tolls was made on the basis that its 2010/11 Actual Net Revenue was less than the Minimum Estimated Net Revenue of that year specified in Schedule 5 to the Ordinance. The relevant increase in statutory tolls took effect on 31 July 2014.

5. The franchisee has been offering concessions to all categories of vehicles so that actual tolls (or “concessionary tolls”) are lower than the statutory toll levels. The current actual tolls are maintained at the levels effected since 1 January 2013. A summary of the historical changes in

¹ It has forfeited its right once to effect the anticipated toll increase.

WHC's toll levels is at **Annex A**.

Latest Position

6. The franchisee has recently informed the Government that its Actual Net Revenue has consistently fallen short of the levels of the Minimum Estimated Net Revenue stipulated in Schedule 5 to the Ordinance. To ensure continuous viability amid the increased operating costs, the franchisee has decided to reduce the concessions to all categories of vehicles, except motorcycles, motor tricycles and additional axle in excess of two for goods vehicles, with effect from 22 February 2015. The existing and new concessionary tolls of WHC are at **Annex B**.

7. Although the franchisee has made the toll adjustments within the levels allowed in the Ordinance and does not require the Government's approval, we have all along and will continue to urge the franchisee to pay due regard to public affordability and acceptability as well as the wider public interest in devising its tolling strategy.

**Transport and Housing Bureau
February 2015**

History of Toll Changes of WHC (page 1 of 3)

	30 April 1997		3 December 2000		31 July 2002		16 February 2003		24 February 2004		4 July 2004	
	Statutory	Actual	Statutory	Conces- sionary	Statutory	Conces- sionary	Statutory	Conces- sionary	Statutory	Conces- sionary	Statutory	Conces- sionary
Motorcycles and motor tricycles	\$15	\$15	\$20	\$20	\$25	\$20	\$25	\$20	\$30	\$20	\$30	\$22
Private cars and electrically powered passenger vehicles	\$30	\$30	\$40	\$35	\$50	\$35	\$50	\$37	\$60	\$37	\$60	\$40
Taxis	\$30	\$30	\$40	\$35	\$50	\$35	\$50	\$35	\$60	\$35	\$60	\$35
Public and private light buses	\$40	\$40	\$50	\$45	\$60	\$45	\$60	\$47	\$70	\$47	\$70	\$50
Light goods vehicles	\$45	\$45	\$60	\$50	\$75	\$50	\$75	\$50	\$90	\$50	\$90	\$55
Medium goods vehicles	\$65	\$65	\$85	\$70	\$105	\$70	\$105	\$70	\$125	\$70	\$125	\$80
Heavy goods vehicles	\$95	\$95	\$125	\$100	\$155	\$100	\$155	\$100	\$185	\$100	\$185	\$110
Single-decked buses	\$40	\$40	\$50	\$50	\$60	\$50	\$60	\$60	\$70	\$60	\$70	\$70
Double-decked buses	\$55	\$55	\$70	\$70	\$85	\$70	\$85	\$85	\$100	\$85	\$100	\$100
Additional axle in excess of two for goods vehicles	\$30	\$30	\$40	\$30	\$50	\$30	\$50	\$30	\$60	\$30	\$60	\$30

History of Toll Changes of WHC (page 2 of 3)

	31 July 2005		31 July 2006		31 July 2007		6 January 2008		31 July 2008		31 July 2009	
	Statutory	Conces- sionary	Statutory	Conces- sionary	Statutory	Conces- sionary	Statutory	Conces- sionary	Statutory	Conces- sionary	Statutory	Conces- sionary
Motorcycles and motor tricycles	\$35	\$22	\$40	\$22	\$45	\$22	\$45	\$22	\$50	\$22	\$55	\$22
Private cars electrically powered passenger vehicles	\$70	\$40	\$80	\$40	\$90	\$40	\$90	\$45	\$100	\$45	\$110	\$45
Taxis	\$70	\$35	\$80	\$35	\$90	\$35	\$90	\$40	\$100	\$40	\$110	\$40
Public and private light buses	\$80	\$50	\$90	\$50	\$100	\$50	\$100	\$55	\$110	\$55	\$120	\$55
Light goods vehicles	\$105	\$55	\$120	\$55	\$135	\$55	\$135	\$55	\$150	\$55	\$165	\$55
Medium goods vehicles	\$145	\$80	\$165	\$80	\$185	\$80	\$185	\$80	\$205	\$80	\$225	\$80
Heavy goods vehicles	\$215	\$110	\$245	\$110	\$275	\$110	\$275	\$110	\$305	\$110	\$335	\$110
Single-decked buses	\$80	\$70	\$90	\$70	\$100	\$70	\$100	\$80	\$110	\$80	\$120	\$80
Double-decked buses	\$115	\$100	\$130	\$100	\$145	\$100	\$145	\$115	\$160	\$115	\$175	\$115
Additional axle in excess of two for goods vehicles	\$70	\$30	\$80	\$30	\$90	\$30	\$90	\$30	\$100	\$30	\$110	\$30

History of Toll Changes of WHC (page 3 of 3)

	31 July 2010		1 August 2010		31 July 2011		31 July 2012		1 January 2013		31 July 2013		31 July 2014	
	Statutory	Conces- sionary	Statutory	Conces- sionary	Statutory	Conces- sionary	Statutory	Conces- sionary	Statutory	Conces- sionary	Statutory	Conces- sionary	Statutory	Conces- sionary
Motorcycles and motor tricycles	\$60	\$22	\$60	\$23	\$70	\$23	\$80	\$23	\$80	\$25	\$90	\$25	\$100	\$25
Private cars and electrically powered passenger vehicles	\$120	\$45	\$120	\$50	\$135	\$50	\$150	\$50	\$150	\$55	\$165	\$55	\$180	\$55
Taxis	\$120	\$40	\$120	\$45	\$135	\$45	\$150	\$45	\$150	\$50	\$165	\$50	\$180	\$50
Public and private light buses	\$130	\$55	\$130	\$60	\$150	\$60	\$170	\$60	\$170	\$65	\$190	\$65	\$210	\$65
Light goods vehicles	\$180	\$55	\$180	\$60	\$200	\$60	\$220	\$60	\$220	\$65	\$240	\$65	\$260	\$65
Medium goods vehicles	\$245	\$80	\$245	\$85	\$280	\$85	\$315	\$85	\$315	\$90	\$350	\$90	\$385	\$90
Heavy goods vehicles	\$365	\$110	\$365	\$115	\$410	\$115	\$455	\$115	\$455	\$120	\$500	\$120	\$545	\$120
Single-decked buses	\$130	\$80	\$130	\$90	\$150	\$90	\$170	\$90	\$170	\$100	\$190	\$100	\$210	\$100
Double-decked buses	\$190	\$115	\$190	\$128	\$220	\$128	\$250	\$128	\$250	\$140	\$280	\$140	\$310	\$140
Additional axle in excess of two for goods vehicles	\$120	\$30	\$120	\$30	\$135	\$30	\$150	\$30	\$150	\$30	\$165	\$30	\$180	\$30

Existing and New Concessionary Tolls of WHC

	Existing Statutory Tolls (Since 31 July 2014)	Existing Concessionary Tolls (Since 1 January 2013)	New Concessionary Tolls*	Actual Increase in concessionary tolls
Motorcycles and motor tricycles	\$100	\$25	\$25	\$0
Private cars and electrically powered passenger vehicles	\$180	\$55	\$60	\$5
Taxis	\$180	\$50	\$55	\$5
Public and private light buses	\$210	\$65	\$70	\$5
Light goods vehicles	\$260	\$65	\$70	\$5
Medium goods vehicles	\$385	\$90	\$95	\$5
Heavy goods vehicles	\$545	\$120	\$125	\$5
Single-decked buses	\$210	\$100	\$110	\$10
Double-decked buses	\$310	\$140	\$155	\$15
Additional axle in excess of two for goods vehicles	\$180	\$30	\$30	\$0

* New concessionary tolls will take effect from 22 February 2015.