



## Cross-Harbour Tunnel at Hunghom

(managed by Hong Kong Tunnels and Highways Management Company Limited - 37% owned)

The company operated the Cross-Harbour Tunnel (“CHT”) at Hunghom under a Management, Operations and Maintenance (“MOM”) Contract with the Government for a period of three years up to 31 August 2002. In May 2002, the Government awarded the second MOM Contract to the company for a period of two years to 31 August 2004 with an option to extend the contract for periods up to a further twenty-four months upon expiry.

The company is entitled to a management fee and other agreed revenue sharing from the Government.

### *Tunnel Usage*

Traffic throughput during 2002 was 43,803,347 vehicle journeys, representing a decrease of 0.38% from 2001.

Throughput of private cars, taxis and motorcycles in 2002 reduced by 1.72% compared to last year. Usage by buses increased by 3.90% and usage of goods vehicles increased by 2.13%. CHT’s average toll per vehicle decreased to \$16.16 in 2002 from \$16.19 last year.

	Traffic Mix	
	2002	2001
Private Cars/Taxis and Motorcycles	68.7%	69.6%
Goods Vehicles	21.1%	20.6%
Buses	10.2%	9.8%
	<u>100.0%</u>	<u>100.0%</u>

### *Accidents*

The overall traffic accident occurrence rate reduced by 8% during 2002. The company took constant measures to remind tunnel users of road safety.

	Occurrence Rate per million vehicle trips	
	2002	2001
Fatal Accidents	0.02	0.00
Traffic Accidents (Personal Injury)	0.87	0.75
Traffic Accidents (Damage Only)	13.33	14.70
TOTAL:	<u>14.22</u>	<u>15.45</u>



## *Breakdowns*

The occurrence rate of breakdowns decreased by 0.17% and the average time taken to attend the scene was maintained at two minutes.

	2002	2001
Total Breakdowns (occurrence rate per million vehicle trips)	29.54	29.59
Daily Average Breakdowns	3.55	3.57

## *Escorts*

	Number of trips	
	2002	2001
Dangerous Goods & Abnormal Goods	1,004	1,023

## *Infringements*

The number of infringements and prosecutions per million vehicle trips increased by 68% and 33% respectively mainly due to illegal stopping.

Infringements included 31 excessive smoke emissions, which the company referred to the Environmental Protection Department for action.

	Number of Events per million vehicle trips	
	2002	2001
Total Infringements Reported	15.3	9.1
Prosecutions	8.5	6.4

## *Maintenance*

All major tunnel systems operated satisfactorily. Major repair works were carried out by the Highways Department and Electrical and Mechanical Services Department.

Since 1 September 1999, the cost of replacement and maintenance of tunnel equipment which exceeds a value of HK\$120,000 has been borne by the Government.

## *Staff*

Staff turnover for the year was 6.3% (2001 - 7%) with fifteen members of the staff either retired or resigned.



## Western Harbour Tunnel (“WHT”) - 37% owned

The construction of the tunnel was completed in April 1997 at a total cost of HK\$7 billion. Western Harbour Crossing, one of the ten Airport Core Projects, was planned to alleviate cross-harbour traffic congestion. The dual three-lane tunnel has been under-utilized due to lower tolls at the other cross-harbour tunnels and poor connecting roads leading to and from the WHT. The company will continue to work with the Government to improve the overall traffic flow of Hong Kong through better usage of the WHT.

### *Refinancing*

During the year, the WHTCL completed refinancing outstanding loans under a HK\$5.2 billion facility at a lower cost with a new loan facility of HK\$3.5 billion. The repayment of the outstanding amount under the old facility on 28 August 2002 was financed by drawdown from the new facility and additional shareholders' loan injections.

After refinancing, the interest margin has been reduced from 150 bps to 87 bps above HIBOR and the loan tenor has been extended to 8½ years (the last date of loan repayment has been deferred from December 2007 to February 2011). The cashflow position of WHTCL is expected to improve under the new loan repayment schedule.

### *Second Toll Increase for WHT on 16 February 2003*

With effect from 16 February 2003, toll charges for private cars and light buses have risen HK\$2 to HK\$37 and HK\$47 respectively, while single and double decked buses are charged HK\$60 (increased by HK\$10) and HK\$85 (increased by HK\$15) respectively. Tolls on all other categories of vehicles, that is, taxis, goods vehicles and motorcycles, however, remain unchanged. The above toll increase is expected to improve the financial position of WHTCL.

### *Tunnel Usage*

Throughput for the year was 14,613,689 vehicle journeys, representing an increase of 0.8% from 2001. The daily average throughput stood at approximately 40,000 vehicle journeys with average toll per vehicle reported at HK\$40.76 in 2002. Despite the reduction in total cross harbour traffic, WHT's market share increased to approximately 17.1% in 2002 from 16.9% in 2001.

	Traffic Mix	
	2002	2001
Private Cars/Taxis and Motorcycles	72.3%	72.8%
Goods Vehicles	11.5%	11.7%
Buses	16.2%	15.5%
	100.0%	100.0%



Daily traffic of the private car category (i.e. private cars, taxis and motorcycles) increased by 0.2% compared to last year. Usage by buses and goods vehicles increased by 5.2% and decreased by 0.7% respectively.

## *Accidents*

The traffic accident occurrence rate increased by 29% during 2002 mainly due to negligence and careless driving of motorists despite the traffic safety measures implemented by the tunnel management to remind tunnel users of traffic safety.

	Occurrence Rate per million vehicle trips	
	2002	2001
Fatal Accidents	0.00	0.00
Traffic Accidents (Personal Injury)	1.03	0.69
Traffic Accidents (Damage Only)	5.20	4.14
TOTAL:	<u>6.23</u>	<u>4.83</u>

## *Breakdowns*

The occurrence rate of breakdowns in 2002 decreased by 29% and the average time taken to attend the scene was maintained at two minutes.

	2002	2001
Total Breakdowns (occurrence rate per million vehicle trips)	19.17	27.10
Daily Average Breakdowns	0.76	1.07

## *Escorts*

	Number of trips	
	2002	2001
Dangerous Goods & Abnormal Goods	1,691	1,657



## *Infringements*

The number of infringements per million vehicle trips increased by 43% in 2002. The number of prosecutions per million vehicle trips also increased by 222%, due to stronger enforcement of radar speed check.

	Number of Events per million vehicle trips	
	2002	2001
Total Infringements Reported	639	448
Prosecutions	17.7	5.5

## *Maintenance*

Throughout the year 2002, all major tunnel systems operated in a safe and reliable condition.

Preventive maintenance work was performed on all key engineering systems and no major defects were revealed in the course of the maintenance.

As an annual exercise, an Independent Consulting Engineer was engaged in November 2002 to conduct a maintenance audit, which showed that all tunnel infrastructure and systems had been maintained in compliance with Maintenance Manual, which is a standard agreed with the Highways Department.

## *Staff*

Staff turnover for the year was 8.4% (2001 - 11.3%) with nineteen members departed.

## **Autopass - 70% owned**

### **Autotoll - effectively 35% owned**

There were forty-seven auto-toll lanes in operation at eleven different toll roads and tunnels during 2002. The total number of tags in circulation was 194,102 as at 31 December 2002, representing an increase of 6.8 % from the year before. The overall usage of autotoll facilities in all eleven toll roads and tunnels was 49% with the highest usage at Western Harbour Tunnel at over 63%. The daily transactions handled by Autotoll were close to 330,000 with toll amounts of approximately HK\$5.3 million.

## **Hong Kong School of Motoring - 70% owned**

In the past year, the performance of the three off-street driving training centres at Siu Lek Yuen, Wong Chuk Hang and Yuen Long has been adversely affected by the continued shrinking in market spending and intensified price competition among driving school operators and private instructors. As a result, the number of driving lessons demanded has declined about 13% as compared with previous year. The new Driving Improvement Centre operated under a three-year contract awarded by the Transport Department recorded a loss for the year since its commencement of business in September 2002 due to low sales response. However, successful cost control measures during the year have improved the profit margin of the company as compared with the previous year.