

## Head 158 — GOVERNMENT SECRETARIAT: TRANSPORT AND HOUSING BUREAU (TRANSPORT BRANCH)

**Controlling officer:** the Permanent Secretary for Transport and Housing (Transport) will account for expenditure under this Head.

<b>Estimate 2008–09</b> .....	<b>\$121.7m</b>
<b>Establishment ceiling 2008–09</b> (notional annual mid-point salary value) representing an estimated 126 non-directorate posts as at 31 March 2008 rising by four posts to 130 posts as at 31 March 2009 .....	<b>\$54.8m</b>
In addition, there will be an estimated 20 directorate posts as at 31 March 2008 and as at 31 March 2009.	
<b>Commitment balance</b> .....	<b>\$3.5m</b>

### Controlling Officer's Report

#### Programmes

<b>Programme (1) Director of Bureau's Office</b>	This programme contributes to Policy Area 27: Intra-Governmental Services (Secretary for Transport and Housing).
<b>Programme (2) Land and Waterborne Transport§</b>	This programme contributes to Policy Area 21: Land and Waterborne Transport (Secretary for Transport and Housing).
<b>Programme (3) Air and Sea Communications and Logistics Development</b>	This programme contributes to Policy Area 3: Air and Sea Communications and Logistics Development (Secretary for Transport and Housing).

§ Revised description of the previous programme "Transport".

#### Detail

##### Programme (1): Director of Bureau's Office

	2006–07 (Actual)	2007–08 (Original)	2007–08 (Revised)	2008–09 (Estimate)
Financial provision (\$m)#	6.3	6.7	6.8 (+1.5%)	<b>12.5</b> (+83.8%)
				(or +86.6% on 2007–08 Original)

# For comparison purpose, the figures include relevant provisions for the director of bureau's office which have been transferred from the former Head 145—Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) due to the re-organisation of the Government Secretariat with effect from 1 July 2007.

#### Aim

- 2 The aim is to ensure the smooth operation of the Office of the Secretary for Transport and Housing.

#### Brief Description

- 3 The Office of the Secretary for Transport and Housing is responsible for providing support to the Secretary for Transport and Housing in undertaking political work. This includes the support provided by the Under Secretary and the Political Assistant. The Office is also responsible for providing administrative support to the Secretary for Transport and Housing in carrying out her duties. The work includes the planning, co-ordination and implementation of all arrangements for the Secretary's public, media and community functions.

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### Programme (2): Land and Waterborne Transport

	2006–07 (Actual)	2007–08 (Original)	2007–08 (Revised)	<b>2008–09 (Estimate)</b>
Financial provision (\$m)#	77.1	74.6	75.8 (+1.6%)	<b>72.1</b> (–4.9%)
				(or –3.4% on 2007–08 Original)

# For comparison purpose, the figures include relevant provisions for general administrative support services which have been transferred from the former Head 159—Government Secretariat: Environment, Transport and Works Bureau (Works Branch) due to the re-organisation of the Government Secretariat with effect from 1 July 2007.

#### *Aim*

4 The aims are to plan for and implement the construction and improvement of our transport infrastructure, with emphasis on railways; further promote the usage of public transport services by improving their quality and co-ordination; improve cross-boundary rail and road linkages; manage road use, reduce congestion and promote safety; and continue to support environmental improvement measures in transport-related areas.

#### *Brief Description*

5 The Branch's main responsibility under this programme is to formulate policies on the development of the transport infrastructure, the provision of transport services, the management of traffic, and the support of environmental improvement measures in transport-related areas.

6 In 2007–08, the Branch:

- implemented the merger of the Mass Transit Railway and the Kowloon-Canton Railway systems on 2 December 2007 after the completion of the necessary legislative process;
- oversaw the commissioning of the Sheung Shui to Lok Ma Chau Spur Line and the Shenzhen Bay Bridge (formerly known as the Hong Kong-Shenzhen Western Corridor);
- completed the review of the MTR Corporation Limited (MTRCL)'s Revised Project Proposal for the West Island Line (WIL) and invited the MTRCL to proceed with the detailed design. The railway scheme was gazetted for public consultation;
- completed the review of the MTRCL's Revised Project Proposal for the South Island Line (SIL) and invited the MTRCL to proceed with further planning and engineering design of the SIL;
- made progress in formulating the detailed scheme and implementation timetable for the Shatin to Central Link (SCL) for further public consultation;
- decided to adopt the dedicated corridor option for the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (ERL) and has been reviewing the Project Proposal for the ERL;
- reached agreement with the relevant Guangdong authorities on the quota arrangements for vehicles using the Shenzhen Bay Port;
- commenced the Site Selection Study on the Hong Kong Boundary Crossing Facilities (BCF) for the Hong Kong-Zhuhai-Macao Bridge (HZMB);
- held expert panels with relevant Mainland and Macao authorities to discuss the financing arrangement of the HZMB;
- maintained policy overview regarding the completion of improvement works for the section of Castle Peak Road between Sham Tseng and Siu Lam in 2007, and the construction of Route 8 between Tsing Yi and Sha Tin for phased completion from 2007 to 2009;
- introduced legislative proposals for implementing measures to deter drink driving and other inappropriate driving behaviour; and
- worked jointly with franchised bus companies on the deployment of environment-friendly buses along busy corridors and enhancement of bus service rationalisation.

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### *Matters Requiring Special Attention in 2008–09*

7 During 2008–09, the Branch will:

- oversee the detailed design work of the WIL and the further planning of the SCL, the SIL, the ERL and the Northern Link;
- co-ordinate the implementation of the Kowloon Southern Link for completion by 2009;
- oversee the preparation for the commencement of works for the reconstruction and improvement of Tuen Mun Road and the traffic improvement to Tuen Mun Road Town Centre Section;
- oversee the progress of the construction of Route 8 between Tsing Yi and Cheung Sha Wan; and the planning and design of Tuen Mun–Chek Lap Kok Link and Tuen Mun Western Bypass;
- decide on the financing arrangement for the HZMB in conjunction with the Mainland and Macao authorities, and proceed with the preparatory work for the North Lantau Highway Connection and the Hong Kong BCF for the HZMB;
- continue to review the current quota arrangements for cross-boundary vehicles, with a view to facilitating vehicular and passenger traffic at all land crossings;
- oversee the introduction of new measures by means of legislation, enforcement and education to enhance road safety;
- oversee the implementation of environment-friendly measures by franchised bus companies such as deploying environmentally friendly buses along busy corridors and enhancing bus service rationalisation; and
- oversee the implementation of the recommendations of the Task Force on Emergency Transport Co-ordination.

### **Programme (3): Air and Sea Communications and Logistics Development**

	2006–07 (Actual)	2007–08 (Original)	2007–08 (Revised)	2008–09 (Estimate)
Financial provision (\$m)#	46.5	28.0	35.6 (+27.1%)	37.1 (+4.2%)
				(or +32.5% on 2007–08 Original)

# For comparison purpose, the figures include relevant provisions for the air and sea communications and logistics development policy portfolios which have been transferred from the former Head 145— Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) due to the re-organisation of the Government Secretariat with effect from 1 July 2007.

### *Aim*

8 The aims are to maintain and develop further Hong Kong's position as a centre of international and regional aviation by ensuring continued compliance with relevant international obligations and standards as well as provision of sufficient airport capacity to meet the demands and high standard of civil aviation management, and by facilitating the continued development of safe and reasonably-priced air links to a wide range of destinations to meet the needs of the travelling public and shippers; maintain and further develop Hong Kong as an international shipping and maritime centre; promote shipping safety and ensure continued compliance with relevant international standards of ships registered in Hong Kong or registered elsewhere which visit our port; ensure that the port of Hong Kong is able to expand continuously so as to sustain Hong Kong's economic growth and meet the demands of trade; and strengthen the role of Hong Kong as the preferred international transportation and logistics hub in Asia.

### *Brief Description*

9 The Branch's main responsibility under this programme is to formulate and implement policies on all aspects of civil aviation, shipping and port development, and logistics development.

10 In 2007–08, the Branch:

- concluded negotiation on a new air services agreement and reviewed air services arrangements with eight aviation partners up to October 2007, as our continuous efforts to expand Hong Kong's air services network;
- organised promotional visits to the Mainland and abroad to promote the awareness of the strengths of Hong Kong as an international maritime centre and a regional logistics hub;
- maintained policy overview regarding the detailed feasibility study on the development of the Lantau Logistics Park (LLP) at Siu Ho Wan;

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- maintained discussion with the Guangdong authorities over cross-boundary freight flow;
- worked with the logistics industry to monitor the implementation of the Digital Trade and Transportation Network (DTTN) services in accordance with the Operating Agreement signed with the DTTN Limited;
- introduced the Merchant Shipping (Prevention of Air Pollution) Regulation for local implementation of the International Maritime Organisation's standards for prevention of air pollution from ships;
- worked with the Hong Kong Productivity Council (HKPC) to monitor the development of a pilot project on an On-Board Trucker Information System (OBTIS);
- completed a training programme on the application of e-logistics for logistics employees in co-operation with the HKPC; and
- completed the Study on Hong Kong Port Cargo Forecasts 2005–06 and the Ecological, Fisheries and Water Quality Impact Assessment Study for the proposed port development at Northwest Lantau.

### ***Matters Requiring Special Attention in 2008–09***

**11** During 2008–09, the Branch will:

- foster closer co-operation between the Hong Kong International Airport and Shenzhen Airport and study the feasibility of a direct rail link between them;
- liaise with the Airport Authority to take forward initiatives, which will ensure adequate airport capacity, further improve airport services and enhance the airport's connectivity and competitiveness;
- continue to maintain an effective civil aviation management system and take forward legislative work to ensure that our legal framework for regulating civil aviation is in line with international standards;
- continue to seek to rationalise and optimise the efficient use of the airspace in the Pearl River Delta region in partnership with the civil aviation authorities of the Mainland and Macao, and to open up more air routes to and from the Mainland;
- oversee the development of a new departmental building of the Civil Aviation Department on the Airport Island and the replacement of the air traffic control systems;
- continue to work to ensure that air services meet market demands and further develop Hong Kong as an international and regional aviation centre;
- continue to work closely with the logistics industry to monitor the implementation of the DTTN System in accordance with the DTTN Operating Agreement;
- work out the way forward of the LLP project having regard to the development of the necessary connecting infrastructure and the cargo flow from the Mainland, particularly the western part of the Pearl River Delta region;
- continue to enhance our collaboration with the Guangdong authorities over cross-boundary freight flow;
- continue to work closely with the HKPC to ensure the smooth implementation of the OBTIS pilot project;
- continue to take forward necessary legislative proposals to enable the implementation of new and revised international maritime standards in Hong Kong; and
- formulate the port development strategy in the light of the findings of the Study on Hong Kong Port Cargo Forecasts, Ecological, Fisheries and Water Quality Impact Assessment Study and other relevant information, and continue to develop initiatives to enhance our port competitiveness.

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**ANALYSIS OF FINANCIAL PROVISION**

<b>Programme</b>	2006-07 (Actual) (\$m)	2007-08 (Original) (\$m)	2007-08 (Revised) (\$m)	<b>2008-09 (Estimate) (\$m)</b>
(1) Director of Bureau's Office.....	6.3	6.7	6.8	<b>12.5</b>
(2) Land and Waterborne Transport .....	77.1	74.6	75.8	<b>72.1</b>
(3) Air and Sea Communications and Logistics Development.....	46.5	28.0	35.6	<b>37.1</b>
	129.9	109.3	118.2 (+8.1%)	<b>121.7 (+3.0%)</b>
				<b>(or +11.3% on 2007-08 Original)</b>

**Analysis of Financial and Staffing Provision**

**Programme (1)**

Provision for 2008-09 is \$5.7 million (83.8%) higher than the revised estimate for 2007-08. This is mainly due to the increased provision for salary and general departmental expenses arising from the creation of one position of Under Secretary and one position of Political Assistant, both under the Political Appointment System, and other related expenses for administrative support including the creation of one post in 2008-09.

**Programme (2)**

Provision for 2008-09 is \$3.7 million (4.9%) lower than the revised estimate for 2007-08. This is mainly due to the transfer of Hong Kong Railway Inspectorate to the Electrical and Mechanical Services Department and reduced cash flow requirements for general non-recurrent items, partly offset by the increase in other operating expenses and the creation of one post in 2008-09.

**Programme (3)**

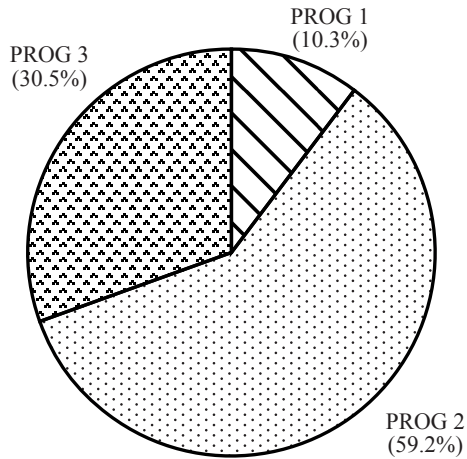
Provision for 2008-09 is \$1.5 million (4.2%) higher than the revised estimate for 2007-08. This is mainly due to additional provision for promotion of port and logistics development.

*Note:* In addition, two posts will be created in 2008-09 to provide administrative support to Programme (2) and Programme (3)

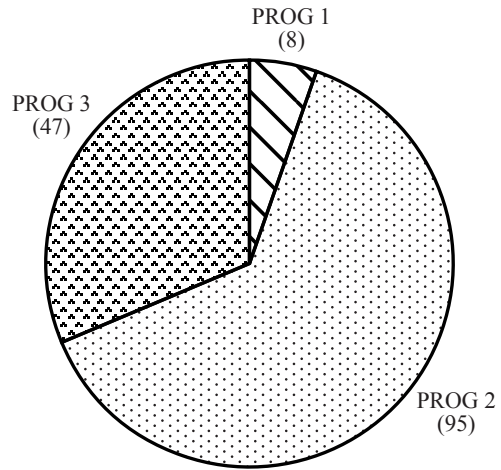
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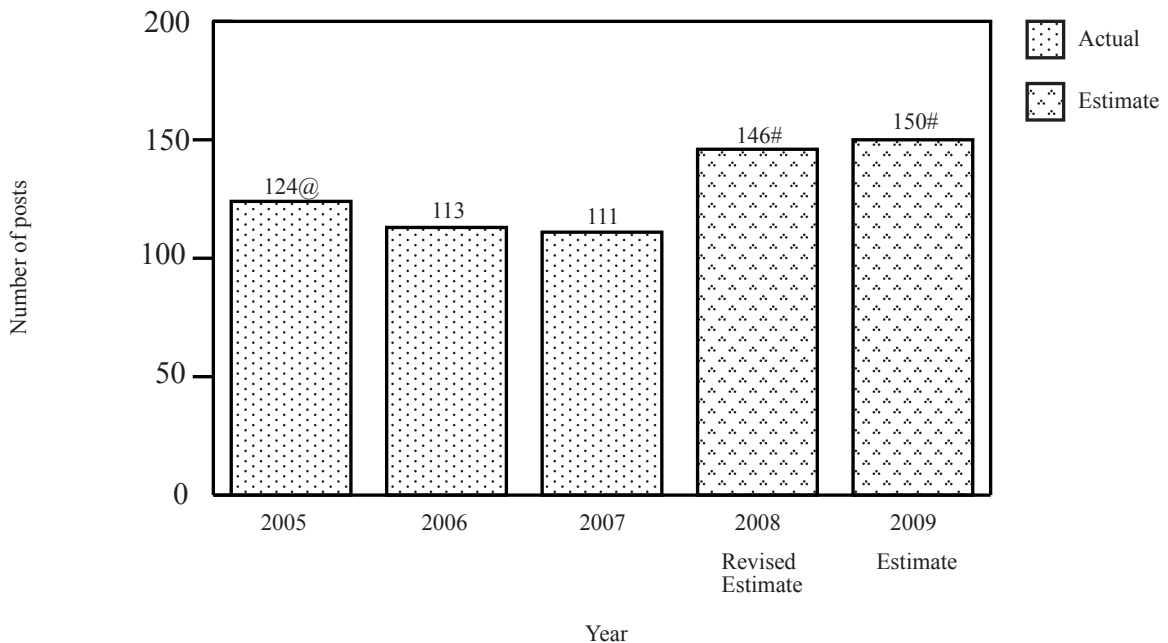
*Allocation of provision to programmes  
(2008-09)*



*Staff by programme  
(as at 31 March 2009)*



*Changes in the size of the establishment  
(as at 31 March)*



@ Including 31 posts in the Environment Branch of the former Environment, Transport and Works Bureau before the merging of the Environment Branch and Environmental Protection Department on 1 April 2005.

# Including a net addition of 46 posts which have been redeployed to the Transport and Housing Bureau (Transport Branch) due to the re-organisation of the Government Secretariat with effect from 1 July 2007.

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Sub-head (Code)	Actual expenditure 2006-07	Approved estimate 2007-08	Revised estimate 2007-08	<b>Estimate 2008-09</b>	
	\$'000	\$'000	\$'000	<b>\$'000</b>	
<b>Operating Account</b>					
Recurrent					
000	Operational expenses .....	73,762	71,196	105,124	<b>119,940</b>
	Total, Recurrent.....	<u>73,762</u>	<u>71,196</u>	<u>105,124</u>	<b><u>119,940</u></b>
Non-Recurrent					
700	General non-recurrent.....	630	636	3,422	<b>1,753</b>
	Total, Non-Recurrent.....	<u>630</u>	<u>636</u>	<u>3,422</u>	<b><u>1,753</u></b>
	Total, Operating Account .....	74,392	71,832	108,546	<b>121,693</b>
<hr/>					
	Total Expenditure.....	<u><u>74,392</u></u>	<u><u>71,832</u></u>	<u><u>108,546</u></u>	<b><u><u>121,693</u></u></b>

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### Details of Expenditure by Subhead

The estimate of the amount required in 2008–09 for the salaries and expenses of the Transport Branch is \$121,693,000. This represents an increase of \$13,147,000 over the revised estimate for 2007–08 and of \$47,301,000 over actual expenditure in 2006–07.

#### *Operating Account*

#### Recurrent

2 Provision of \$119,940,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Transport Branch. The increase of \$14,816,000 (14.1%) over the revised estimate for 2007–08 is mainly due to the increased provision for salary and general departmental expenses arising from the creation of one position of Under Secretary and one position of Political Assistant, both under the Political Appointment System, and other related expenses for administrative support, as well as the increase in other operating expenses including the promotional programmes for logistics and port development.

3 The establishment as at 31 March 2008 will be 146 permanent posts. It is expected that four permanent posts will be created in 2008–09. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2008–09, but the notional annual mid-point salary value of all such posts must not exceed \$54,779,000.

4 An analysis of the financial provision under *Subhead 000 Operational expenses* is as follows:

	2006–07 (Actual) (\$'000)	2007–08 (Original) (\$'000)	2007–08 (Revised) (\$'000)	2008–09 (Estimate) (\$'000)
Personal Emoluments				
- Salaries .....	59,855	58,637	83,158	<b>81,188</b>
- Allowances .....	3,098	3,532	3,622	<b>4,661</b>
- Job-related allowances .....	—	2	1	<b>2</b>
Personnel Related Expenses				
- Mandatory Provident Fund contribution .....	169	163	201	<b>233</b>
- Civil Service Provident Fund contribution .....	149	86	300	<b>444</b>
Departmental Expenses				
- General departmental expenses .....	10,491	8,776	17,842	<b>33,412</b>
	73,762	71,196	105,124	<b>119,940</b>



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**Commitments**

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2007	Revised estimated expenditure for 2007–08	Balance
			\$'000	\$'000	\$'000	\$'000
<b><i>Operating Account</i></b>						
700		<i>General non-recurrent</i>				
	011	Management of a ticketing system for taxi access to Lok Ma Chau Control Point during the extended hours.....	3,800	2,485	686	629
	013	Promotion of Hong Kong as an international maritime centre and leading port .....	3,600	3,446	100	54
	018	Developing and promoting Hong Kong as the preferred international and regional transportation and logistics centre.....	9,500	7,272	1,000	1,228
	021	Organisation of an international logistics conference.....	900	—	—	900
	023	Promotion of Hong Kong's logistics advantages under the Mainland/Hong Kong Closer Economic Partnership Arrangement.....	600	—	—	600
	892	Promotion of Hong Kong as an international shipping centre and study on the competitiveness of the Hong Kong container port.....	2,150	2,091	—	59
		Total .....	<u>20,550</u>	<u>15,294</u>	<u>1,786</u>	<u>3,470</u>