

**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.

Estimate 2010–11 **\$134.4m**

Establishment ceiling 2010–11 (notional annual mid-point salary value) representing an estimated 133 non-directorate posts as at 31 March 2010 rising by one post to 134 posts as at 31 March 2011 **\$59.3m**

In addition, there will be an estimated 20 directorate posts as at 31 March 2010 and as at 31 March 2011.

Commitment balance **\$7.5m**

Controlling Officer's Report

Programmes

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

Detail

Programme (1): Director of Bureau's Office

	2008–09 (Actual)	2009–10 (Original)	2009–10 (Revised)	2010–11 (Estimate)
Financial provision (\$m)	9.4	12.4	10.2 (–17.7%)	12.1 (+18.6%)
				(or –2.4% on 2009–10 Original)

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.

Programme (2): Land and Waterborne Transport

	2008–09 (Actual)	2009–10 (Original)	2009–10 (Revised)	2010–11 (Estimate)
Financial provision (\$m)	69.3	76.7	74.8 (–2.5%)	76.3 (+2.0%)
				(or –0.5% on 2009–10 Original)

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.

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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 2009–10, the Branch:

- oversaw the commissioning of the Kowloon Southern Link and the Tseung Kwan O Extension (Phase II);
- secured the funding support for the West Island Line (WIL) and commenced the construction works in July 2009;
- oversaw the further planning and public consultation of the South Island Line (SIL) (East) and gazetted the railway scheme in July 2009;
- oversaw the further planning and public consultation of the Shatin to Central Link (SCL);
- oversaw the further planning and public consultation of the Kwun Tong Line Extension (KTE) and gazetted the railway scheme in November 2009;
- oversaw the further planning and public consultation, including examination of project estimates, of the Hong Kong section of Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL) and invited the MTR Corporation Limited to commence construction of the XRL;
- reached agreement with the relevant Guangdong authorities on the quota arrangements for cross-boundary vehicles and secured 42 special quotas with additional northbound trips for cross-boundary school bus services;
- oversaw, in conjunction with the governments of Guangdong and the Macao Special Administrative Region, the completion of the preliminary design work of the Hong Kong-Zhuhai-Macao Bridge (HZMB) Main Bridge and the commencement of the construction works of the HZMB Main Bridge, following the State Council's approval of the Feasibility Study report of the HZMB project;
- gazetted the proposed works of the Hong Kong Boundary Crossing Facilities (HKBCF) and the Hong Kong Link Road (HKLR) projects for the HZMB under relevant ordinances. The Director of Environmental Protection has approved (with conditions) the Environmental Impact Assessment reports of the two projects;
- oversaw the commissioning of Route 8 between Tsing Yi and Cheung Sha Wan;
- maintained policy overview regarding the commencement of works for the reconstruction and improvement of Tuen Mun Road for phased completion in 2014;
- oversaw the progress of the planning and design for the Tuen Mun-Chek Lap Kok Link and the Tuen Mun Western Bypass, the Central Kowloon Route, the widening of Tolo Highway/Fanling Highway between Island House Interchange and Fanling (Stage 2), the Cross Bay Link, as well as the Tseung Kwan O-Lam Tin Tunnel;
- oversaw the commencement of works for the Central-Wan Chai Bypass and Island Eastern Corridor Link and the widening of Tolo Highway/Fanling Highway between Island House Interchange and Fanling (Stage 1) projects;
- oversaw the progress of the consultancies on the proposed pedestrian schemes in Causeway Bay, Mong Kok and Yuen Long town centre;
- reviewed the fare adjustment arrangement for franchised bus service;
- worked jointly with franchised bus companies on the deployment of environment-friendly buses along busy corridors and enhancement of bus service rationalisation;
- developed and oversaw the implementation of measures to enhance the safety of public light buses;
- secured legislative amendments to address the problem of unserved summonses to drivers who have accumulated 15 or more Driving-offence Points;
- oversaw the consultancy on the rationalisation of the usage of the three road harbour crossings; and
- commenced the review on the outlying island ferry services with a view to enhancing the long-term financial viability of these services and maintaining fare stability.

Matters Requiring Special Attention in 2010–11

7 During 2010–11, the Branch will:

- continue to oversee the further planning and public consultation, including the examination of project estimates, of the SCL, the SIL (East) and the KTE;
- oversee the implementation of the Hong Kong section of the XRL;
- continue to oversee the implementation of the WIL;
- oversee the preparation for the commencement of works for the traffic improvement to Tuen Mun Road Town Centre Section;

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- continue to oversee the progress of the construction of the Central-Wan Chai Bypass and Island Eastern Corridor Link, the widening of Tolo Highway/Fanling Highway between Island House Interchange and Fanling (Stage 1), reconstruction and improvement of Tuen Mun Road; and the planning and design of the Tuen Mun-Chek Lap Kok Link and the Tuen Mun Western Bypass, the Central Kowloon Route, the widening of Tolo Highway/Fanling Highway between Island House Interchange and Fanling (Stage 2), the Cross Bay Link and the Tseung Kwan O-Lam Tin Tunnel;
- in conjunction with the governments of Guangdong and the Macao Special Administrative Region, finalise with the lead bank the detailed arrangements for borrowing and repayment for the construction cost of the HZMB Main Bridge;
- secure funding approval for the construction works of the HKBCF and the detailed design and construction works of the HKLR;
- continue to keep the current quota arrangements for cross-boundary vehicles under review with a view to facilitating vehicular and passenger traffic at all land crossings, and to work with the Guangdong authorities with a view to introducing an ad hoc quota trial scheme for cross-boundary private cars at the Shenzhen Bay Port;
- continue to take forward the proposed pedestrian schemes in Causeway Bay, Mong Kok and Yuen Long town centre;
- oversee the introduction of new measures by means of legislation, enforcement and education to enhance road safety, including measures to deter drink driving and enhance safety of public light buses;
- oversee the implementation of the recommendations of the Task Force on Emergency Transport Co-ordination;
- assess options that are feasible to rationalise the usage of the three road harbour crossings in the light of the recommendation of the consultancy study; and
- continue to review the outlying island ferry services with a view to enhancing the long-term financial viability of these services and maintaining fare stability.

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

	2008–09 (Actual)	2009–10 (Original)	2009–10 (Revised)	2010–11 (Estimate)
Financial provision (\$m)	38.1	45.4	42.0 (–7.5%)	46.0 (+9.5%)
				(or +1.3% on 2009–10 Original)

Aim

8 The aims are to maintain and further develop Hong Kong's position as a centre of international and regional aviation by ensuring continued compliance with relevant international obligations and standards, providing sufficient airport capacity to meet the demands and high standard of civil aviation management, and 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 2009–10, the Branch:

- concluded the negotiation on new air services agreements with three aviation partners and reviewed air services arrangements with another four aviation partners up to October 2009, as our continuous efforts to expand Hong Kong's air services network;
- continued with the review on the regulatory regime of the Air Transport Licensing Authority (ATLA) for our local airlines, with a view to enhancing regulatory oversight (particularly in terms of financial monitoring) and promoting competition and innovation in the airline industry;
- worked with the Airport Authority Hong Kong (AA) and the Civil Aviation Department (CAD) in enhancing the capacity of the existing runways and other airport facilities, such as pursuing the mid-field expansion project;

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- worked with the AA in the Airport Master Plan 2030 Study which looks into the infrastructure requirements of the Hong Kong International Airport (HKIA) up to 2030, including the engineering and environmental feasibility of building a third runway;
- fostered closer co-operation between the HKIA and Shenzhen International Airport and completed a pre-feasibility study on establishing a direct rail link between them;
- 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;
- reviewed the provision of land for port, logistics and related uses;
- maintained discussion with the Guangdong authorities over cross-boundary freight flow;
- worked with the logistics industry to promote e-logistics;
- completed the legislative process of the Merchant Shipping (Safety) (Amendment) Ordinance and the Bunker Oil Pollution (Liability and Compensation) Ordinance for local implementation of the International Maritime Organisation's standards on safety as well as on the liability and compensation arrangements for oil 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); and
- worked with the Chartered Institute of Logistics and Transport in Hong Kong (CILTHK) and the Hong Kong Association of Freight Forwarding and Logistics Limited (HAFFA) to develop a training programme for the freight logistics sector.

Matters Requiring Special Attention in 2010–11

11 During 2010–11, the Branch will:

- continue to work with the AA on the mid-field expansion project and complete the Airport Master Plan 2030 Study, which includes consideration of whether to build a third runway;
- continue to foster closer co-operation between the HKIA and Shenzhen International Airport and to take forward the planning of the Hong Kong-Shenzhen Western Express Line (previously known as Hong Kong-Shenzhen Airport Rail Link) in collaboration with the Shenzhen authorities;
- continue to work with the AA on initiatives that will ensure adequate airport capacity, particularly the mid-field expansion project, 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 CAD on the Airport Island and the replacement of the air traffic control systems;
- continue with the review of the ATLA's regulatory regime and implement any initiatives arising from the review;
- continue to further liberalise our air services regime with aviation partners, thereby strengthening Hong Kong's status as an international and regional aviation centre;
- continue to work closely with the logistics industry to promote e-logistics;
- continue to maintain policy overview regarding the development of the Lantau Logistics Park, and oversee the development of a logistics cluster and the provision of land for port and related uses in the Kwai Tsing area;
- 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 collaborate with the CILTHK and the HAFFA to ensure the smooth implementation of the training programme for the freight logistics sector;
- continue to take forward necessary legislative proposals to enable the implementation of new and revised international maritime standards in Hong Kong; and
- oversee the preliminary feasibility study for Container Terminal 10 at Southwest Tsing Yi, and the dredging works for the Kwai Tsing Container Basin and its approach.

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ANALYSIS OF FINANCIAL PROVISION

Programme	2008-09 (Actual) (\$m)	2009-10 (Original) (\$m)	2009-10 (Revised) (\$m)	2010-11 (Estimate) (\$m)
(1) Director of Bureau's Office.....	9.4	12.4	10.2	12.1
(2) Land and Waterborne Transport.....	69.3	76.7	74.8	76.3
(3) Air and Sea Communications and Logistics Development.....	38.1	45.4	42.0	46.0
	116.8	134.5	127.0 (-5.6%)	134.4 (+5.8%)
				(or -0.1% on 2009-10 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2010-11 is \$1.9 million (18.6%) higher than the revised estimate for 2009-10. This is mainly due to the provision required for filling the position of Political Assistant.

Programme (2)

Provision for 2010-11 is \$1.5 million (2.0%) higher than the revised estimate for 2009-10. This is mainly due to the increased provision for salary increments.

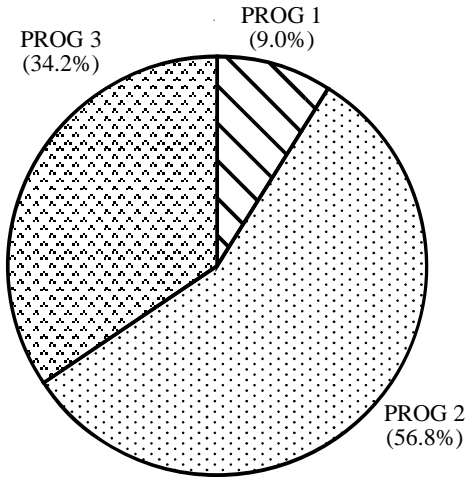
Programme (3)

Provision for 2010-11 is \$4.0 million (9.5%) higher than the revised estimate for 2009-10. This is mainly due to the increased operating expenses.

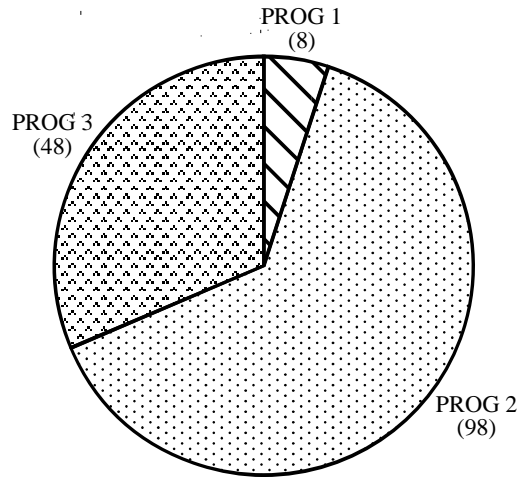
Note: In addition, one post will be created in 2010-11 to provide clerical support to Programme (2) and Programme (3).

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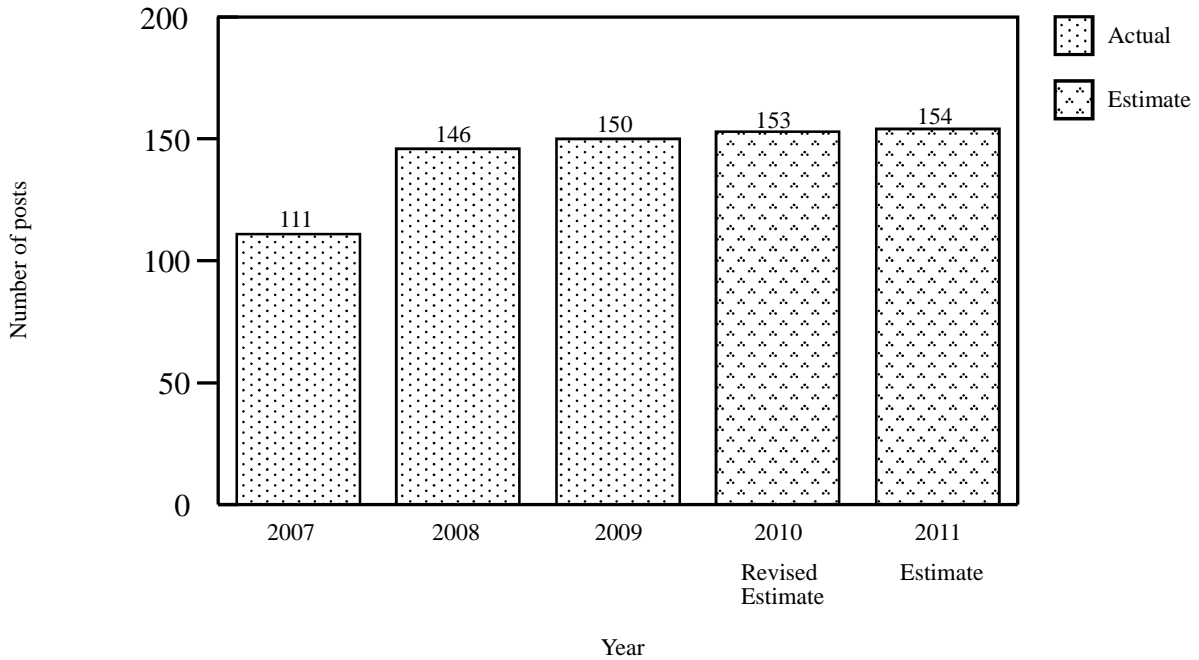
*Allocation of provision
to programmes
(2010-11)*



*Staff by programme
(as at 31 March 2011)*



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



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Sub-head (Code)	Actual expenditure 2008-09	Approved estimate 2009-10	Revised estimate 2009-10	Estimate 2010-11	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses.....	115,908	133,413	121,935	129,970
	Total, Recurrent	115,908	133,413	121,935	129,970
Non-Recurrent					
700	General non-recurrent	925	1,124	5,065	4,388
	Total, Non-Recurrent	925	1,124	5,065	4,388
	Total, Operating Account.....	116,833	134,537	127,000	134,358
	Total Expenditure	116,833	134,537	127,000	134,358

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Details of Expenditure by Subhead

The estimate of the amount required in 2010–11 for the salaries and expenses of the Transport Branch is \$134,358,000. This represents an increase of \$7,358,000 over the revised estimate for 2009–10 and of \$17,525,000 over actual expenditure in 2008–09.

Operating Account

Recurrent

2 Provision of \$129,970,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Transport Branch.

3 The establishment as at 31 March 2010 will be 153 permanent posts. It is expected that one post will be created in 2010–11. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2010–11, but the notional annual mid-point salary value of all such posts must not exceed \$59,343,000.

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

	2008–09 (Actual) (\$'000)	2009–10 (Original) (\$'000)	2009–10 (Revised) (\$'000)	2010–11 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	85,862	92,537	87,686	88,169
- Allowances	4,207	3,793	4,379	4,646
- Job-related allowances.....	—	2	1	2
Personnel Related Expenses				
- Mandatory Provident Fund contribution	262	252	336	351
- Civil Service Provident Fund contribution	529	722	690	938
Departmental Expenses				
- General departmental expenses.....	25,048	36,107	28,843	35,864
	<hr/> 115,908	<hr/> 133,413	<hr/> 121,935	<hr/> 129,970 <hr/>

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Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2009	Revised estimated expenditure for 2009–10	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700	<i>General non-recurrent</i>					
018	Developing and promoting Hong Kong as the preferred international and regional transportation and logistics centre.....		9,500	7,572	450	1,478
021	Organisation of an international logistics conference.....		900	—	150	750
023	Promotion of Hong Kong's logistics advantages under the Mainland/Hong Kong Closer Economic Partnership Arrangement.....		600	—	90	510
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	21	38
928	Consultancy study on potential repositioning sites for oil depots affected by the proposed port development at Southwest Tsing Yi.....		7,000	—	2,300	4,700
	Total		<u>20,150</u>	<u>9,663</u>	<u>3,011</u>	<u>7,476</u>