

**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 2013–14	\$169.2m
Establishment ceiling 2013–14 (notional annual mid-point salary value) representing an estimated 157 non-directorate posts as at 31 March 2013 and as at 31 March 2014	\$77.6m
In addition, there will be an estimated 23 directorate posts as at 31 March 2013 and as at 31 March 2014.	
Commitment balance	\$1.5m

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

	2011–12 (Actual)	2012–13 (Original)	2012–13 (Revised)	2013–14 (Estimate)
Financial provision (\$m)	10.7	13.0	10.0 (–23.1%)	11.5 (+15.0%)
				(or –11.5% on 2012–13 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 his 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

	2011–12 (Actual)	2012–13 (Original)	2012–13 (Revised)	2013–14 (Estimate)
Financial provision (\$m)	76.6	80.4	81.5 (+1.4%)	82.6 (+1.3%)
				(or +2.7% on 2012–13 Original)

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

Aim

4 The aims are to plan for and implement the construction and improvement of our transport infrastructure, 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 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 2012–13, the Branch:

- oversaw the implementation of the West Island Line (WIL), the South Island Line (SIL) (East), the Kwun Tong Line Extension (KTE) and the Shatin to Central Link (SCL);
- oversaw the construction of the Hong Kong section of Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL);
- oversaw the progress of the review and update of the Railway Development Strategy (RDS) 2000, including the public engagement exercise;
- in conjunction with the governments of Guangdong and the Macao Special Administrative Region, oversaw the progress of the construction works for the Hong Kong-Zhuhai-Macao Bridge (HZMB) Main Bridge and explored related cross-boundary transport arrangements;
- oversaw the works for the Hong Kong Boundary Crossing Facilities (HKBCF) and Hong Kong Link Road (HKLR) as well as the detailed design, site investigation and advance works for Tuen Mun-Chek Lap Kok Link (TM-CLKL) under the HZMB project;
- oversaw the works for the traffic improvements to Tuen Mun Road Town Centre Section, and the reconstruction and improvement of Tuen Mun Road for completion in 2013 and phased completion in 2014 respectively;
- oversaw the progress of the planning and design for 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 projects;
- oversaw the progress 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 feasibility studies on the proposed pedestrian subway scheme in Causeway Bay and proposed pedestrian footbridge system in Mong Kok; consulted the public on the proposed pedestrian subway scheme in Causeway Bay; developed further the proposal of the footbridge system in Mong Kok after earlier consultation with the public and also continued the public engagement exercise on the proposed pedestrian scheme in Yuen Long Town;
- oversaw the technical feasibility studies and pre-construction works for the higher-ranking proposals on the provision of hillside escalator links and elevator systems;
- introduced a new policy on “Universal Accessibility” to expand the existing programme on retrofitting of barrier-free access facilities at public footbridges, elevated walkways and subways;
- oversaw the operation of cross-boundary ferry services;
- continued to jointly administer with the relevant Guangdong authorities the regulatory regime for cross-boundary vehicles, including the provision of 110 special quotas with additional northbound trips for cross-boundary school bus services in the 2012/13 school year;
- oversaw the implementation of the first phase of the ad hoc quota trial scheme for cross-boundary private cars at Shenzhen Bay Port;
- introduced legislative amendments to facilitate the re-export of left-hand drive vehicles with a new type of trade licence, and improved the control mechanism to prevent the abuse of the use of trade licence;
- oversaw the development and deployment of advanced technologies for incident management;
- introduced legislative amendments to enhance the safety of public light bus operation;
- assessed possible measures to improve the traffic distribution among the three road harbour crossings (RHCs), in the light of feedbacks received during the public consultation on the findings and recommendations of the consultancy study on the rationalisation of the utilisation of the three RHCs;
- oversaw the granting of new franchises to New World First Bus Services Limited, Long Win Bus Company Limited and Citybus Limited (Franchise for Airport and North Lantau Bus Network);

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

- worked jointly with franchised bus companies on the deployment of environment-friendly buses along busy corridors and enhancement of bus service rationalisation;
- reviewed the fare adjustment mechanism of the MTR Corporation Limited; and
- oversaw the implementation of helping measures for the six major outlying island ferry routes.

Matters Requiring Special Attention in 2013–14

7 During 2013–14, the Branch will:

- continue to oversee the implementation of the WIL, the SIL (East), the KTE and the SCL;
- continue to oversee the construction and the operational arrangements of the Hong Kong section of the XRL;
- conclude the review and update of the RDS 2000;
- in conjunction with the governments of Guangdong and the Macao Special Administrative Region, continue to oversee the works for the HZMB Main Bridge and explore and formulate related cross-boundary transport arrangements;
- secure funding approval and kick-start the construction works for TM-CLKL; oversee the progress of construction of the HKBCF, HKLR and TM-CLKL under the HZMB project;
- continue to oversee the progress of the works for 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 and Stage 2, the reconstruction and improvement of Tuen Mun Road (including the Town Centre Section); and the planning and design of the Tuen Mun Western Bypass, the Central Kowloon Route, the Cross Bay Link and the Tseung Kwan O-Lam Tin Tunnel;
- continue to take forward the proposed pedestrian schemes in Causeway Bay, Mong Kok and Yuen Long Town;
- continue to oversee the pre-construction works for the higher-ranking proposals on the provision of hillside escalator links and elevator systems;
- continue to oversee the implementation of the “Universal Accessibility” policy for the retrofitting of barrier-free access facilities at public footbridges, elevated walkways and subways;
- continue to monitor the operation of cross-boundary ferry services;
- 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 relevant Guangdong authorities to oversee and monitor the operation of the ad hoc quota trial scheme;
- continue to review licensing policy and pursue effective measures to improve different licensing-related services;
- continue to oversee the development and deployment of advanced technologies for incident management;
- continue to oversee the introduction of new measures by means of legislation, enforcement and education to enhance road safety;
- continue to consider and take forward possible measures to rationalise the utilisation of the three RHCs;
- oversee the implementation of helping measures for the six major outlying island ferry routes and a mid-term review on these measures; and
- review the fare adjustment arrangement for franchised bus service.

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

	2011–12 (Actual)	2012–13 (Original)	2012–13 (Revised)	2013–14 (Estimate)
Financial provision (\$m)	47.1	52.4	57.3 (+9.4%)	75.1 (+31.1%)
				(or +43.3% on 2012–13 Original)

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

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 2012–13, the Branch:

- concluded negotiation on a new air services agreement and reviewed air services arrangements with three aviation partners up to October 2012, as our continuous efforts to expand Hong Kong's air services network;
- oversaw the implementation of the proposals arising from the review on the regulatory regime of the Air Transport Licensing Authority for our local airlines;
- 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 implementing the midfield expansion project;
- worked with the AA in taking forward the Hong Kong International Airport Master Plan 2030;
- oversaw the development of the new departmental building of the CAD on the Airport Island and the replacement of the air traffic control systems;
- organised 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;
- identified and made available suitable sites for logistics development and other port-related uses in the Kwai Tsing area;
- worked with the Hong Kong Productivity Council to monitor the implementation of a pilot project on the "Security Air Freight Enclosure" for real-time monitoring of cargoes in trucks;
- 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 and implement a training programme for the freight logistics sector;
- worked with the GS1 Hong Kong and the Li & Fung Institute of Supply Chain Management & Logistics to conduct a feasibility study on supply chain visibility across Guangdong, Hong Kong and other areas in Asia;
- worked with the Hong Kong Trade Development Council to organise the Second Asian Logistics and Maritime Conference on 8 November 2012 to highlight Hong Kong's status as a high-value goods inventory management and regional distribution centre as well as an international maritime centre, and to provide a high-level platform for regional discussion of important industry development issues; and
- oversaw the preliminary feasibility study for Container Terminal 10 at Southwest Tsing Yi, the Study on the Strategic Development Plan for Hong Kong Port 2030, the Consultancy Study on Enhancing Hong Kong's Position as an International Maritime Centre; and the dredging works for the Kwai Tsing Container Basin and its approach channel.

Matters Requiring Special Attention in 2013–14

11 During 2013–14, the Branch will:

- further liberalise our air services regime with aviation partners, thereby strengthening Hong Kong's status as an international and regional aviation centre;
- 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;
- 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 oversee the implementation of the new regulatory regime for air transport licensing;

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

- continue to work with the AA on initiatives that will ensure adequate airport capacity, particularly the midfield expansion project, further improve airport services and enhance the airport's connectivity and competitiveness;
- continue to work with the AA in taking forward the Hong Kong International Airport Master Plan 2030, including the environmental impact assessment in relation to the three-runway system and the engagement of various stakeholders for the development of the third runway;
- continue to oversee the replacement of the air traffic control systems;
- continue to examine ways to reinforce Hong Kong's position as an international maritime centre;
- continue to take forward legislative proposals to enable the implementation of new and revised international maritime standards in Hong Kong;
- work with the Marine Department to review the current regulatory regime and measures governing the licensing and operation of passenger-carrying vessels with a view to enhancing marine safety;
- continue to work closely with the logistics industry to promote e-logistics;
- continue to identify suitable sites for logistics development in collaboration with relevant departments whilst maintaining policy overview regarding the development of the Lantau Logistics Park, and oversee the provision of land for port and related uses in the Kwai Tsing area;
- continue to collaborate with the CILTHK and the HAFFA to ensure the smooth implementation of the training programme for the freight logistics sector;
- continue with the Study on the Strategic Development Plan for Hong Kong Port 2030, and examine the feasibility and the need for the development of Container Terminal 10 at Southwest Tsing Yi; and
- continue to take forward the dredging works for the Kwai Tsing Container Basin and its approach channels.

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

ANALYSIS OF FINANCIAL PROVISION

Programme	2011-12 (Actual) (\$m)	2012-13 (Original) (\$m)	2012-13 (Revised) (\$m)	2013-14 (Estimate) (\$m)
(1) Director of Bureau's Office.....	10.7	13.0	10.0	11.5
(2) Land and Waterborne Transport	76.6	80.4	81.5	82.6
(3) Air and Sea Communications and Logistics Development.....	47.1	52.4	57.3	75.1
	134.4	145.8	148.8 (+2.1%)	169.2 (+13.7%)
				(or +16.0% on 2012-13 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2013-14 is \$1.5 million (15.0%) higher than the revised estimate for 2012-13. This is mainly due to the full-year effect of filling the position of Political Assistant in 2012-13 and the increased provision for filling of a vacancy.

Programme (2)

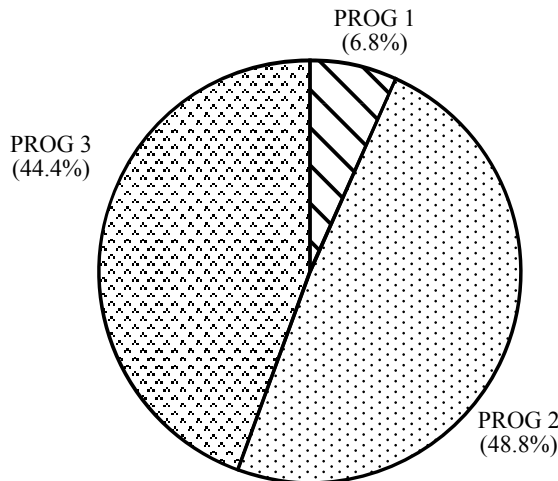
Provision for 2013-14 is \$1.1 million (1.3%) higher than the revised estimate for 2012-13. This is mainly due to the full-year provision for a vacancy filled in 2012-13 and the increased provision for operating expenses.

Programme (3)

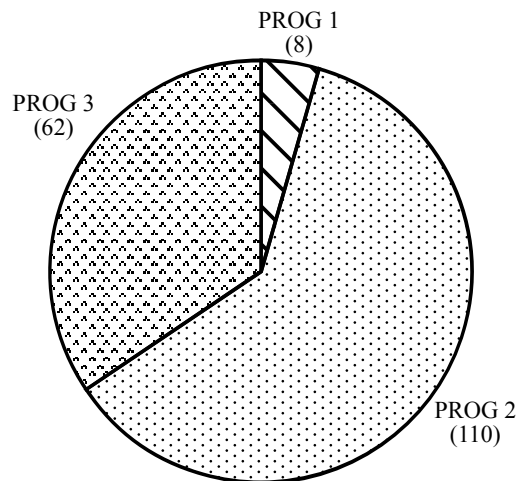
Provision for 2013-14 is \$17.8 million (31.1%) higher than the revised estimate for 2012-13. This is mainly due to full-year effect of filling of vacancies in 2012-13 and the increased provision for operating expenses, partly offset by the reduced requirement for non-recurrent items.

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

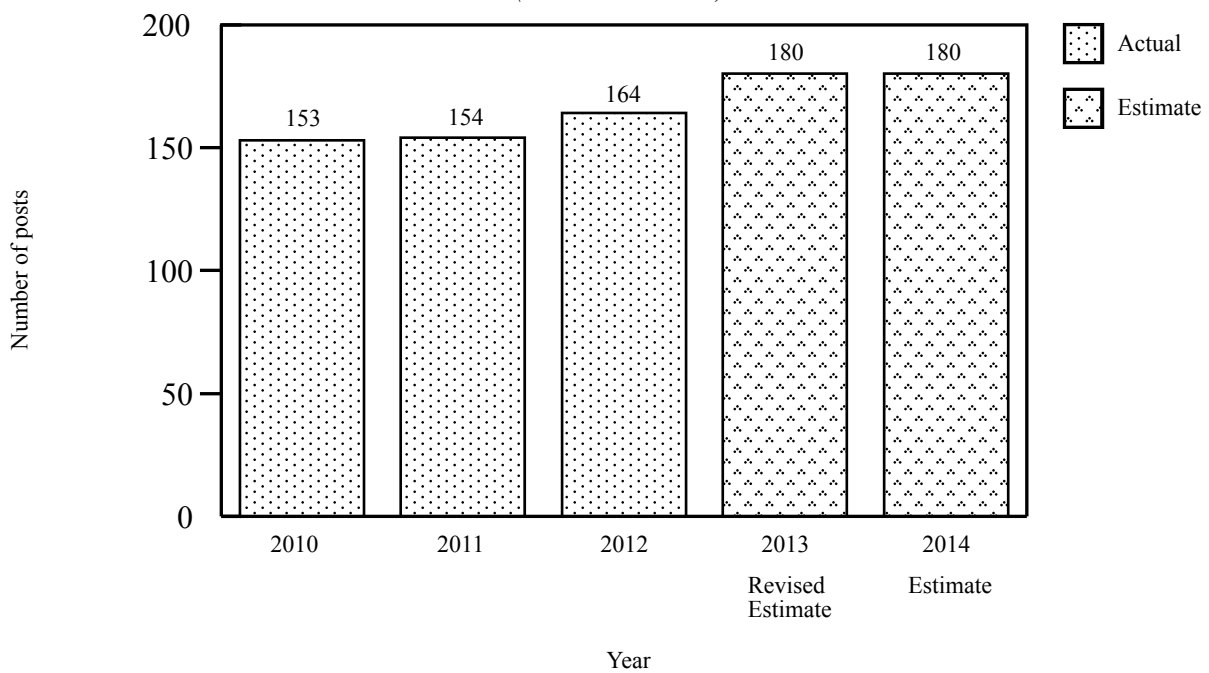
*Allocation of provision
to programmes
(2013-14)*



*Staff by programme
(as at 31 March 2014)*



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



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

Sub-head (Code)	Actual expenditure 2011–12	Approved estimate 2012–13	Revised estimate 2012–13	Estimate 2013–14	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	129,351	142,883	146,190	167,926
	Total, Recurrent	<u>129,351</u>	<u>142,883</u>	<u>146,190</u>	<u>167,926</u>
Non-Recurrent					
700	General non-recurrent	5,056	2,903	2,627	1,253
	Total, Non-Recurrent	<u>5,056</u>	<u>2,903</u>	<u>2,627</u>	<u>1,253</u>
	Total, Operating Account.....	134,407	145,786	148,817	169,179
<hr/>					
	Total Expenditure	<u><u>134,407</u></u>	<u><u>145,786</u></u>	<u><u>148,817</u></u>	<u><u>169,179</u></u>

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

Details of Expenditure by Subhead

The estimate of the amount required in 2013–14 for the salaries and expenses of the Transport Branch is \$169,179,000. This represents an increase of \$20,362,000 over the revised estimate for 2012–13 and of \$34,772,000 over actual expenditure in 2011–12.

Operating Account

Recurrent

2 Provision of \$167,926,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Transport Branch. The increase of \$21,736,000 (14.9%) over the revised estimate for 2012–13 is mainly due to the increased provisions for filling vacancies and other operating expenses.

3 The establishment as at 31 March 2013 will be 180 posts including three supernumerary posts. No change in establishment is expected in 2013–14. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2013–14, but the notional annual mid-point salary value of all such posts must not exceed \$77,568,000.

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

	2011–12 (Actual) (\$'000)	2012–13 (Original) (\$'000)	2012–13 (Revised) (\$'000)	2013–14 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	97,136	101,987	109,808	113,789
- Allowances	2,783	2,734	4,643	4,675
- Job-related allowances.....	—	2	1	2
Personnel Related Expenses				
- Mandatory Provident Fund contribution	272	192	374	316
- Civil Service Provident Fund contribution	2,294	2,779	2,483	3,245
Departmental Expenses				
- General departmental expenses	26,866	35,189	28,881	45,899
	<hr/> 129,351	<hr/> 142,883	<hr/> 146,190	<hr/> 167,926

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

Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2012	Revised estimated expenditure for 2012–13	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700	<i>General non-recurrent</i>					
023	Promotion of Hong Kong's logistics advantages under the Mainland/Hong Kong Closer Economic Partnership Arrangement.....		600	119	100	381
928	Consultancy study on potential re-provisioning sites for oil depots affected by the proposed port development at Southwest Tsing Yi		7,000	6,317	200	483
959	Study on the Strategic Development Plan for Hong Kong Port 2030.....		2,773	208	1,895	670
	Total		<u>10,373</u>	<u>6,644</u>	<u>2,195</u>	<u>1,534</u>