

**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 2014–15** ..... **\$200.1m**

**Establishment ceiling 2014–15** (notional annual mid-point salary value) representing an estimated 158 non-directorate posts as at 31 March 2014 reducing by two posts to 156 posts as at 31 March 2015 ..... **\$79.3m**

In addition, there will be an estimated 23 directorate posts as at 31 March 2014 and as at 31 March 2015.

**Commitment balance** ..... **\$101.8m**

**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). |

**Detail**

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

	2012–13 (Actual)	2013–14 (Original)	2013–14 (Revised)	<b>2014–15 (Estimate)</b>
Financial provision (\$m)	10.5	11.5	12.0 (+4.3%)	<b>12.3</b> (+2.5%)
				(or +7.0% on 2013–14 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**

	2012–13 (Actual)	2013–14 (Original)	2013–14 (Revised)	<b>2014–15 (Estimate)</b>
Financial provision (\$m)	78.0	82.6	81.9 (-0.8%)	<b>79.4</b> (-3.1%)
				(or -3.9% on 2013–14 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 2013–14, 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 and operational arrangements of the Hong Kong section of Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL);
- oversaw 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 works for the Hong Kong-Zhuhai-Macao Bridge (HZMB) Main Bridge and explored related cross-boundary transport arrangements;
- secured funding approval and oversaw the works for Tuen Mun-Chek Lap Kok Link (TM-CLKL); oversaw the works for the Hong Kong Boundary Crossing Facilities (HKBCF) and Hong Kong Link Road (HKLR) 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 phased completion in 2014;
- oversaw the planning and design for the Tuen Mun Western Bypass, the Central Kowloon Route (including the securing of funding approval for re-provisioning projects in relation to the Central Kowloon Route), the Cross Bay Link, as well as the Tseung Kwan O-Lam Tin Tunnel (including the securing of funding approval for detailed design of the Tunnel) projects;
- oversaw the 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 project;
- secured funding approval and oversaw the works for the widening of Tolo Highway/Fanling Highway between Island House Interchange and Fanling – Stage 2;
- oversaw the feasibility studies on the proposed pedestrian environment improvement schemes in Yuen Long Town, Mong Kok and Causeway Bay;
- oversaw the technical feasibility studies and pre-construction works for the higher-ranking proposals on the provision of hillside escalator links and elevator systems;
- oversaw the implementation of the “Universal Accessibility” policy for the 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 145 special quotas with additional northbound trips for cross-boundary school bus services in the 2013/14 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;
- oversaw the licensing policy and pursued effective measures to improve different licensing-related services;
- oversaw the development and deployment of advanced technologies for incident management;
- introduced legislative amendments to enhance the safety of public light bus operation;

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

---

- put forward three toll adjustment options aiming to improve the traffic distribution among the three road harbour crossings (RHCs) for public consultation and analysed the views and comments received during the public consultation with a view to selecting an appropriate option for a 12-month trial scheme to test its effectiveness;
- completed an exercise to amend the Peak Tramway Ordinance (Cap. 265) to ensure continued operation of the peak tramway beyond end-2013 for a two-year interim period;
- worked jointly with franchised bus companies on the deployment of environment-friendly buses along busy corridors and on pursuing rationalisation of bus service more vigorously;
- reviewed the fare adjustment mechanism of the MTR Corporation Limited; and
- oversaw the carrying out of the mid-term review on special helping measures for the six major outlying island ferry routes, resulting in their continued provision in the next licence period from 2014 to 2017.

### ***Matters Requiring Special Attention in 2014–15***

7 During 2014–15, the Branch will:

- continue to oversee the implementation of the SIL (East), the KTE and the SCL;
- oversee the commissioning of the WIL;
- 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;
- continue to oversee the works of the HKBCF, HKLR and TM-CLKL under the HZMB project;
- continue to oversee 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 environment improvement schemes in Yuen Long Town, Mong Kok and Causeway Bay;
- 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 for Hong Kong cross-boundary private cars at Shenzhen Bay Port;
- in conjunction with the government of Guangdong, explore and formulate related cross-boundary transport arrangements for the new Liantang/Heung Yuen Wai Boundary Control Point which is scheduled for commissioning in 2018;
- 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 our efforts in improving the traffic distribution among the RHCs;
- study the long-term arrangements for the peak tramway operation;

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

---

- continue to review the fare adjustment arrangement for franchised bus service; and
- oversee the implementation of special helping measures for the six major outlying island ferry routes.

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

	2012–13 (Actual)	2013–14 (Original)	2013–14 (Revised)	<b>2014–15 (Estimate)</b>
Financial provision (\$m)	58.5	75.1	77.3 (+2.9%)	<b>108.4</b> (+40.2%)
				(or +44.3% on 2013–14 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, maritime and port development, and logistics development.

**10** In 2013–14, the Branch:

- reviewed air services arrangements with two aviation partners up to October 2013, as our continuous efforts to expand Hong Kong's air services network;
- oversaw the implementation of the new regulatory regime for air transport licensing 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 replacement of the air traffic control systems;
- worked with the maritime and aviation industries and relevant education institutions to set up the Maritime and Aviation Training Fund;
- 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 Kwai Tsing and other areas;
- worked with industry associations to develop and implement initiatives to support the development of the logistics sector;
- worked with the Hong Kong Trade Development Council to organise the Third Asian Logistics and Maritime Conference on 7 November 2013 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;

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

---

- 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; and
- followed up on the range of issues arising from the collision of vessels near Lamma Island on 1 October 2012, including the recommendations of the Commission of Inquiry, with a view to enhancing marine safety and governance of the Marine Department (MD).

### *Matters Requiring Special Attention in 2014–15*

**11** During 2014–15, 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 work with the AA on initiatives that will enhance airport capacity, airport services, and the airport's connectivity and competitiveness, for example, the midfield expansion project and the apron expansion project;
- 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;
- implement the initiatives under the Maritime and Aviation Training Fund;
- oversee the conduct of a consultancy study by the CAD on the feasibility of establishing a civil aviation training institute in the light of the recommendation of the Working Group on Transportation under the Economic Development Commission;
- continue to examine ways to reinforce Hong Kong's position as an international maritime centre and follow up on the recommendations of the Consultancy Study on Enhancing 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;
- continue to work closely with the logistics industry to promote e-logistics;
- continue to identify suitable sites and examine their feasibility for logistics development in collaboration with relevant departments whilst maintaining policy overview regarding the development of the Lantau Logistics Park, and review the provision of land for port and related uses in the Kwai Tsing area;
- continue to collaborate with the Chartered Institute of Logistics and Transport in Hong Kong and the Hong Kong Association of Freight Forwarding and Logistics Limited to ensure the smooth implementation of the training programme for the freight logistics sector;
- continue to examine the feasibility and need for the development of Container Terminal 10 and identify enhancement measures to existing port facilities in the light of findings in the preliminary feasibility study for Container Terminal 10 at Southwest Tsing Yi and the Study on the Strategic Development Plan for Hong Kong Port 2030;
- continue to oversee the progress of the dredging works for the Kwai Tsing Container Basin and its approach channels; and
- continue to follow up on the range of issues arising from the collision of vessels near Lamma Island on 1 October 2012, including working with the MD to follow up on the recommendations of the Commission of Inquiry.

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

---

**ANALYSIS OF FINANCIAL PROVISION**

	2012-13 (Actual) (\$m)	2013-14 (Original) (\$m)	2013-14 (Revised) (\$m)	2014-15 (Estimate) (\$m)
<b>Programme</b>				
(1) Director of Bureau's Office .....	10.5	11.5	12.0	<b>12.3</b>
(2) Land and Waterborne Transport .....	78.0	82.6	81.9	<b>79.4</b>
(3) Air and Sea Communications and Logistics Development.....	58.5	75.1	77.3	<b>108.4</b>
	<hr/> 147.0	<hr/> 169.2	<hr/> 171.2 (+1.2%)	<hr/> <b>200.1</b> (+16.9%)
				<b>(or +18.3% on 2013-14 Original)</b>

**Analysis of Financial and Staffing Provision**

**Programme (1)**

Provision for 2014-15 is \$0.3 million (2.5%) higher than the revised estimate for 2013-14. This is mainly due to the full-year effect of filling a vacancy.

**Programme (2)**

Provision for 2014-15 is \$2.5 million (3.1%) lower than the revised estimate for 2013-14. This is mainly due to the reduced provision for operating expenses. In addition, there will be a net decrease of three posts in 2014-15.

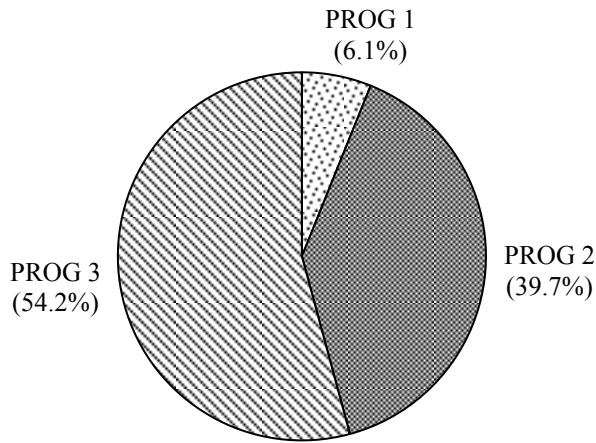
**Programme (3)**

Provision for 2014-15 is \$31.1 million (40.2%) higher than the revised estimate for 2013-14. This is mainly due to the inclusion of provision for the Maritime and Aviation Training Fund in 2014-15, the increased provision for operating expenses and additional cash flow requirement for non-recurrent items. In addition, one post will be created in 2014-15.

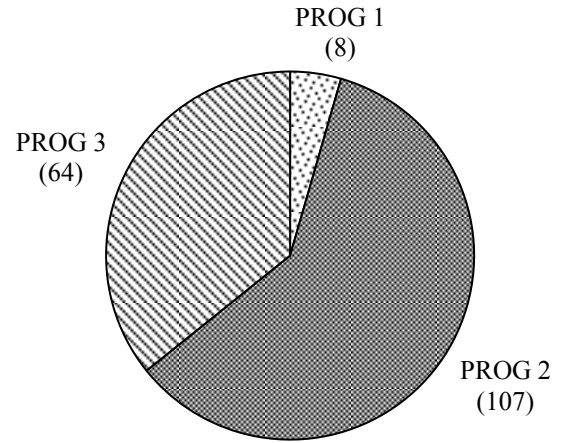
**Head 158 — GOVERNMENT SECRETARIAT: TRANSPORT AND HOUSING  
BUREAU (TRANSPORT BRANCH)**

---

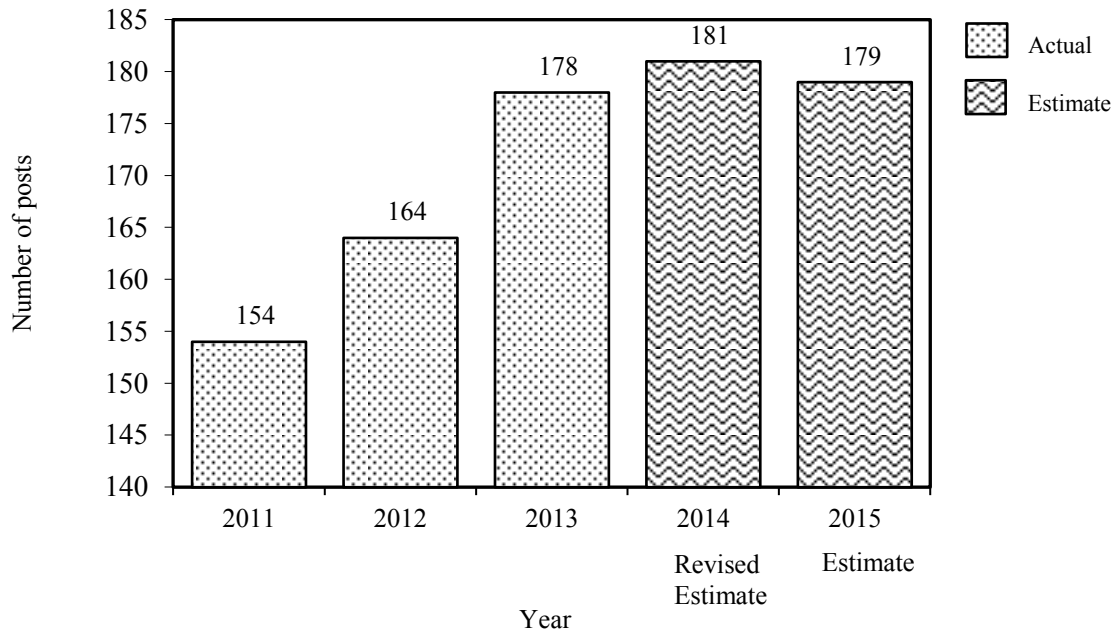
*Allocation of provision  
to programmes  
(2014-15)*



*Staff by programme  
(as at 31 March 2015)*



*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 2012–13	Approved estimate 2013–14	Revised estimate 2013–14	<b>Estimate 2014–15</b>	
	\$'000	\$'000	\$'000	<b>\$'000</b>	
<b>Operating Account</b>					
Recurrent					
000	Operational expenses .....	146,140	167,926	170,159	<b>181,658</b>
	Total, Recurrent.....	<u>146,140</u>	<u>167,926</u>	<u>170,159</u>	<u><b>181,658</b></u>
Non-Recurrent					
700	General non-recurrent .....	821	1,253	1,084	<b>18,478</b>
	Total, Non-Recurrent.....	<u>821</u>	<u>1,253</u>	<u>1,084</u>	<u><b>18,478</b></u>
	Total, Operating Account .....	146,961	169,179	171,243	<b>200,136</b>
	Total Expenditure .....	<u><u>146,961</u></u>	<u><u>169,179</u></u>	<u><u>171,243</u></u>	<u><u><b>200,136</b></u></u>



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

**Details of Expenditure by Subhead**

The estimate of the amount required in 2014–15 for the salaries and expenses of the Transport Branch is \$200,136,000. This represents an increase of \$28,893,000 over the revised estimate for 2013–14 and of \$53,175,000 over actual expenditure in 2012–13.

*Operating Account*

Recurrent

2 Provision of \$181,658,000 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 2014 will be 181 posts including three supernumerary posts. It is expected that there will be a net decrease of two posts in 2014–15. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2014–15, but the notional annual mid-point salary value of all such posts must not exceed \$79,288,000.

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

	2012–13 (Actual) (\$'000)	2013–14 (Original) (\$'000)	2013–14 (Revised) (\$'000)	2014–15 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	110,216	113,789	120,385	117,086
- Allowances.....	4,900	4,675	5,491	4,714
- Job-related allowances.....	1	2	2	2
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	375	316	395	342
- Civil Service Provident Fund contribution.....	2,629	3,245	3,521	4,241
Departmental Expenses				
- General departmental expenses .....	28,019	45,899	40,365	55,273
	<hr/>	<hr/>	<hr/>	<hr/>
	146,140	167,926	170,159	181,658
	<hr/>	<hr/>	<hr/>	<hr/>

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

**Commitments**

Sub-head (Code)	Item (Code)	Ambit	Approved commitment \$'000	Accumulated expenditure to 31.3.2013 \$'000	Revised estimated expenditure for 2013–14 \$'000	Balance \$'000
<b><i>Operating Account</i></b>						
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	45	436
	807	Maritime and Aviation Training Fund <sup>Ψ</sup> .....	100,000	—	—	100,000
	959	Study on the Strategic Development Plan for Hong Kong Port 2030 .....	2,773	416	1,039	1,318
		<b>Total .....</b>	<b>103,373</b>	<b>535</b>	<b>1,084</b>	<b>101,754</b>

Ψ Commitment approved by the Finance Committee on 10 January 2014.