

**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 2015–16 **\$223.3m**

Establishment ceiling 2015–16 (notional annual mid-point salary value) representing an estimated 156 non-directorate posts as at 31 March 2015 rising by ten posts to 166 posts as at 31 March 2016... **\$91.2m**

In addition, there will be an estimated 23 directorate posts as at 31 March 2015 rising by two posts to 25 posts as at 31 March 2016.

Commitment balance..... **\$103.8m**

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

	2013–14 (Actual)	2014–15 (Original)	2014–15 (Revised)	2015–16 (Estimate)
Financial provision (\$m)	13.3	12.3	13.5 (+9.8%)	13.8 (+2.2%)
				(or +12.2% on 2014–15 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

	2013–14 (Actual)	2014–15 (Original)	2014–15 (Revised)	2015–16 (Estimate)
Financial provision (\$m)	76.4	79.4	79.2 (–0.3%)	89.0 (+12.4%)
				(or +12.1% on 2014–15 Original)

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Aim

4 The aims are to plan for and implement the construction and improvement of Hong Kong's 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 transport infrastructure, the provision of transport services, the management of traffic, and the support of environmental improvement measures in transport-related areas.

6 In 2014–15, the Branch:

- oversaw the implementation of the West Island Line, 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);
- concluded the review and update of the Railway Development Strategy (RDS) 2000, and announced the RDS 2014;
- 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;
- oversaw the works for the Hong Kong Boundary Crossing Facilities (HKBCF), Hong Kong Link Road (HKLR) and Tuen Mun-Chek Lap Kok Link (TM-CLKL) under the HZMB project;
- oversaw the works for 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, the Cross Bay Link, the Tseung Kwan O-Lam Tin Tunnel, the Trunk Road T2, as well as the widening of Castle Peak Road – Castle Peak Bay;
- 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 2;
- oversaw the proposed pedestrian environment improvement schemes in Yuen Long Town, Mong Kok and Causeway Bay;
- oversaw the technical feasibility studies and planning 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;
- continued to jointly administer with the relevant Guangdong authorities the regulatory regime for cross-boundary vehicles;
- oversaw the development and deployment of advanced technologies for incident management;
- introduced legislative amendments to enhance the safety of public light bus operation;
- continued its efforts in improving road traffic congestion, including studying the recommendations put forward by the Transport Advisory Committee in its Study on Road Traffic Congestion;
- continued to take forward the preparatory work for legislative proposals for the long-term arrangements of the operation of the peak tramway on expiry of its existing operating right in end-2015;
- continued to work jointly with franchised bus companies on the deployment of environment-friendly buses along busy corridors;
- continued to oversee the pursuit of bus service rationalisation;
- continued to review the fare adjustment arrangement for franchised bus service;

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- oversaw the handling of matters related to the franchises for the networks of Citybus Limited (Franchise for Hong Kong Island and cross harbour routes) and New Lantao Bus Company (1973) Limited on expiry of the existing franchises in 2016–17; and
- oversaw the implementation of special helping measures for the six major outlying island ferry routes in the current licence period from 2014 to 2017.

Matters Requiring Special Attention in 2015–16

7 During 2015–16, the Branch will:

- continue to oversee the implementation of 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;
- commence detailed planning work for the first batch of projects recommended in the RDS 2014, i.e. Tuen Mun South Extension, the Northern Link (and Kwu Tung Station) and the East Kowloon Line;
- in conjunction with the governments of Guangdong and the Macao Special Administrative Region, continue to oversee the works for the HZMB Main Bridge 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 2; and the planning and design for the Tuen Mun Western Bypass, the Central Kowloon Route, the Cross Bay Link, the Tseung Kwan O-Lam Tin Tunnel, the Trunk Road T2 and the widening of Castle Peak Road – Castle Peak Bay;
- seek funding approval and oversee the works for the dualling of Hiram’s Highway between Clear Water Bay Road and Marina Cove and improvement to local access to Ho Chung;
- seek funding approval and oversee the detailed design and site investigation works for the widening of Tai Po Road (Sha Tin Section);
- continue to take forward the proposed pedestrian environment improvement schemes in Yuen Long Town, Mong Kok and Causeway Bay;
- continue to oversee the technical feasibility studies and planning 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 oversee the introduction of new measures to enhance road safety;
- continue its efforts to introduce practicable measures to contain road traffic congestion;
- introduce legislative amendments for the long-term arrangements for the operation of the peak tramway on expiry of its existing operating right in end-2015;
- continue to review the fare adjustment arrangement for franchised bus service;
- oversee the handling of matters related to the franchises for the networks of Citybus Limited (Franchise for Hong Kong Island and cross harbour routes), New Lantao Bus Company (1973) Limited and the Kowloon Motor Bus Co. (1933) Limited on expiry of the existing franchises in 2016–17;
- carry out a Public Transport Strategy Study to look into important issues relating to various public transport modes to ensure that they would continue to complement each other in the wake of an expanding railway network; and
- continue to oversee the implementation of special helping measures for the six major outlying island ferry routes.

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

	2013–14 (Actual)	2014–15 (Original)	2014–15 (Revised)	2015–16 (Estimate)
Financial provision (\$m)	90.3	108.4	106.5 (–1.8%)	120.5 (+13.1%)
				(or +11.2% on 2014–15 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 2014–15, the Branch:

- reviewed air services arrangements with three aviation partners up to October 2014, as its continuous efforts to expand Hong Kong's air services network;
- oversaw the operation of the 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 (HKIA) Master Plan 2030;
- worked with the AA in taking forward the development of the Three-Runway System (3RS) at the HKIA, including the scheme design and statutory Environment Impact Assessment for the project;
- 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 (MATF), and implemented various incentive and scholarship schemes to support manpower training and development initiatives;
- oversaw the conduct of a consultancy study by the CAD on the feasibility of establishing a civil aviation training institute;
- organised overseas visits to promote the awareness of the strengths of Hong Kong as an international maritime centre and a regional logistics hub;
- worked with relevant departments to identify suitable sites for logistics development and examine their feasibility and reviewed the provision of land for port and related uses in the Kwai Tsing area;
- took forward legislative proposals to enable the implementation of new and revised international maritime standards in Hong Kong;
- 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 Fourth Asian Logistics and Maritime Conference from 18 to 19 November 2014 to highlight Hong Kong's status as a regional distribution centre, a logistics hub as well as an international maritime centre, and provided a high-level platform for regional discussion and networking;

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- oversaw conclusion of 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; and the dredging works for the Kwai Tsing Container Basin and its approach channel;
- 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); and
- supported the Hong Kong Maritime Industry Council (MIC) in taking forward recommendations put forth in the “Consultancy Study on Enhancing Hong Kong’s Position as an International Maritime Centre” including the proposal to set up a new institutional body for maritime development.

Matters Requiring Special Attention in 2015–16

11 During 2015–16, the Branch will:

- further liberalise its 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;
- continue to maintain an effective civil aviation management system and take forward legislative work to ensure that its 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 development of the 3RS at the HKIA, including detailed design, the relevant statutory gazettals and the engagement of various stakeholders;
- continue to oversee the replacement of the air traffic control systems;
- continue to draw up and implement manpower development and promotion initiatives under the MATF with advice from the tripartite taskforces;
- continue to oversee the conduct of the consultancy study by the CAD on the feasibility of establishing a civil aviation training institute;
- continue to work towards the setting up of a new maritime body to drive maritime development in Hong Kong and support the MIC in promoting Hong Kong 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 Hong Kong Logistics Development Council and the logistics industry to promote e-logistics;
- continue to identify suitable sites and examine their feasibility for logistics development in collaboration with relevant departments;
- 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;
- work with the Hong Kong Port Development Council and relevant government departments in taking forward measures to improve the operational efficiency of the Hong Kong Port;
- 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.

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ANALYSIS OF FINANCIAL PROVISION

	2013-14 (Actual) (\$m)	2014-15 (Original) (\$m)	2014-15 (Revised) (\$m)	2015-16 (Estimate) (\$m)
Programme				
(1) Director of Bureau's Office	13.3	12.3	13.5	13.8
(2) Land and Waterborne Transport	76.4	79.4	79.2	89.0
(3) Air and Sea Communications and Logistics Development.....	90.3	108.4	106.5	120.5
	<hr/> 180.0	<hr/> 200.1	<hr/> 199.2 (-0.4%)	<hr/> 223.3 (+12.1%)
				(or +11.6% on 2014-15 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2015-16 is \$0.3 million (2.2%) higher than the revised estimate for 2014-15. This is mainly due to a slight increase in provision for salaries.

Programme (2)

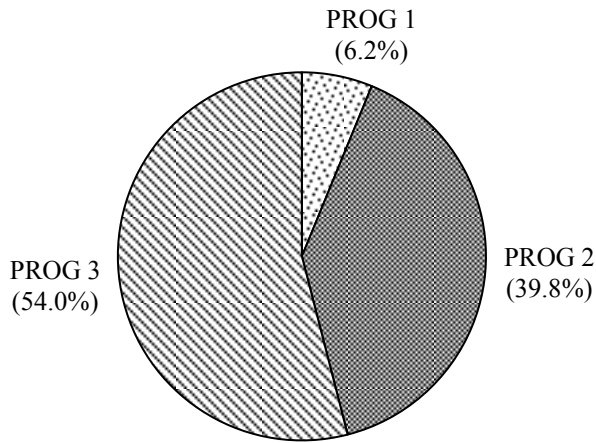
Provision for 2015-16 is \$9.8 million (12.4%) higher than the revised estimate for 2014-15. This is mainly due to the net increase of seven posts in 2015-16 and the inclusion of a new non-recurrent item for Public Transport Strategy Study, partly offset by the reduced requirement in operating expenses.

Programme (3)

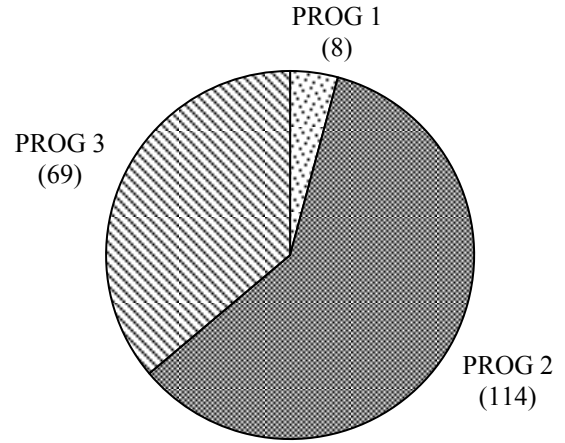
Provision for 2015-16 is \$14.0 million (13.1%) higher than the revised estimate for 2014-15. This is mainly due to the net increase of five posts in 2015-16 and the increased cash flow requirement for non-recurrent items in 2015-16.

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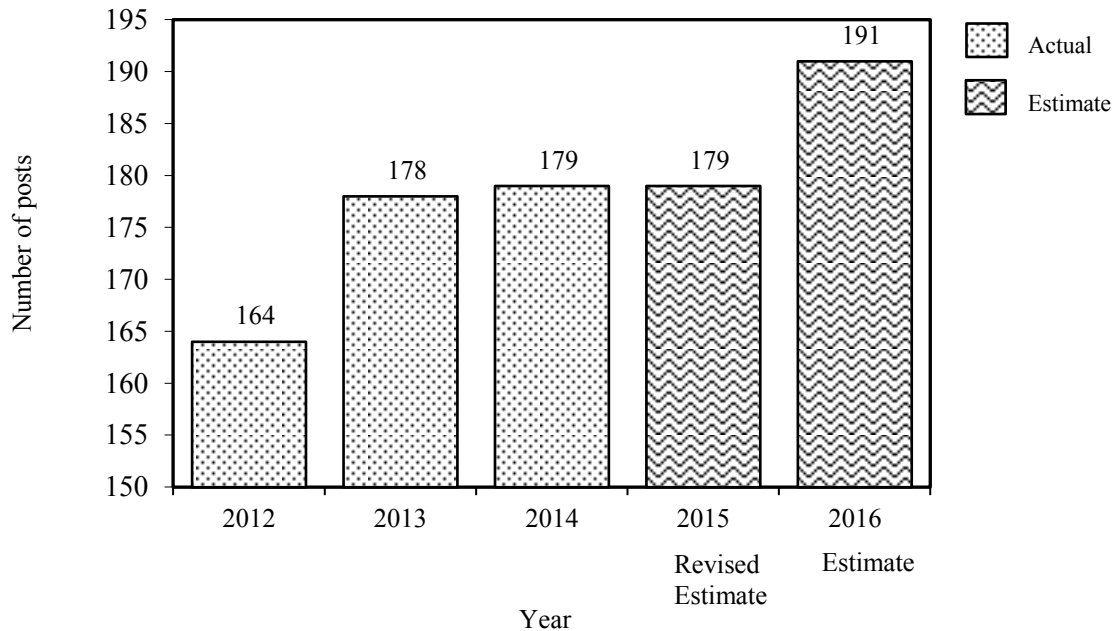
*Allocation of provision
to programmes
(2015-16)*



*Staff by programme
(as at 31 March 2016)*



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



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Sub-head (Code)	Actual expenditure 2013–14	Approved estimate 2014–15	Revised estimate 2014–15	Estimate 2015–16	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	179,122	181,658	191,464	202,253
	Total, Recurrent.....	<u>179,122</u>	<u>181,658</u>	<u>191,464</u>	<u>202,253</u>
Non-Recurrent					
700	General non-recurrent	876	18,478	7,694	21,074
	Total, Non-Recurrent.....	<u>876</u>	<u>18,478</u>	<u>7,694</u>	<u>21,074</u>
	Total, Operating Account	<u>179,998</u>	<u>200,136</u>	<u>199,158</u>	<u>223,327</u>
	Total Expenditure	<u><u>179,998</u></u>	<u><u>200,136</u></u>	<u><u>199,158</u></u>	<u><u>223,327</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2015–16 for the salaries and expenses of the Transport Branch is \$223,327,000. This represents an increase of \$24,169,000 over the revised estimate for 2014–15 and of \$43,329,000 over the actual expenditure in 2013–14.

Operating Account

Recurrent

2 Provision of \$202,253,000 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 2015 will be 179 posts including three supernumerary posts. It is expected that there will be a net increase of 12 posts in 2015–16. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2015–16, but the notional annual mid-point salary value of all such posts must not exceed \$91,215,000.

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

	2013–14 (Actual) (\$'000)	2014–15 (Original) (\$'000)	2014–15 (Revised) (\$'000)	2015–16 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	128,785	117,086	130,718	144,520
- Allowances.....	6,057	4,714	4,851	3,820
- Job-related allowances.....	1	2	3	3
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	385	342	394	272
- Civil Service Provident Fund contribution.....	3,662	4,241	4,200	5,915
Departmental Expenses				
- General departmental expenses	40,232	55,273	51,298	47,723
	<hr/>	<hr/>	<hr/>	<hr/>
	179,122	181,658	191,464	202,253

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Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment \$'000	Accumulated expenditure to 31.3.2014 \$'000	Revised estimated expenditure for 2014–15 \$'000	Balance \$'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	164	100	336
807	Maritime and Aviation Training Fund		100,000	—	6,276	93,724
864	Public Transport Strategy Study		9,500	—	—	9,500
959	Study on the Strategic Development Plan for Hong Kong Port 2030		2,773	1,247	1,318	208
	Total		<u>112,873</u>	<u>1,411</u>	<u>7,694</u>	<u>103,768</u>