

## 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 2009–10</b> .....	<b>\$134.5m</b>
<b>Establishment ceiling 2009–10</b> (notional annual mid-point salary value) representing an estimated 130 non-directorate posts as at 31 March 2009 rising by four posts to 134 posts as at 31 March 2010 .....	<b>\$61.2m</b>
In addition, there will be an estimated 20 directorate posts as at 31 March 2009 and as at 31 March 2010.	
<b>Commitment balance</b> .....	<b>\$3.8m</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).

#### Detail

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

	2007–08 (Actual)	2008–09 (Original)	2008–09 (Revised)	<b>2009–10 (Estimate)</b>
Financial provision (\$m)	6.8#	12.5	9.6 (–23.2%)	<b>12.4</b> (+29.2%)
				(or –0.8% on 2008–09 Original)

# For comparison purpose, the figure includes relevant provisions for the director of bureau's office placed under the former Head 145—Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) before 1 July 2007. The relevant provisions have been transferred to Head 158 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.

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

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

	2007–08 (Actual)	2008–09 (Original)	2008–09 (Revised)	<b>2009–10 (Estimate)</b>
Financial provision (\$m)	73.2#	72.1	72.6 (+0.7%)	<b>76.7</b> (+5.6%)
				(or +6.4% on 2008–09 Original)

# For comparison purpose, the figure includes relevant provisions for general administrative support services placed under the former Head 159—Government Secretariat: Environment, Transport and Works Bureau (Works Branch) before 1 July 2007. The relevant provisions have been transferred to Head 158 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 2008–09, the Branch:

- oversaw the detailed design work of the West Island Line (WIL) and gazetted the amended railway scheme in September 2008;
- invited the MTR Corporation Limited (MTRCL) to proceed with the preliminary planning and design of the South Island Line (SIL) (East);
- invited the MTRCL to proceed with further planning and design of the Shatin to Central Link (SCL) under the concession approach;
- invited the MTRCL to proceed with the further planning and design of the Kwun Tong Line Extension (KTE);
- invited the MTRCL to proceed with the further planning and design of the Hong Kong Section of Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL) under the concession approach. The railway scheme was gazetted in November 2008 for public consultation;
- reached agreement with the relevant Guangdong authorities on the quota arrangements for cross-boundary vehicles and secured 20 special quotas for cross-boundary school bus services;
- commenced the Investigation and Preliminary Design (I&PD) Study for the proposed Hong Kong Boundary Crossing Facilities (HKBCF) and the Hong Kong Link Road (HKLR) for the Hong Kong-Zhuhai-Macao Bridge (HZMB);
- reached agreement with the governments of Guangdong and the Macao Special Administrative Region on the initial capital injection for the construction cost of the HZMB Main Bridge and commenced investigation into options for financing the construction cost;
- oversaw the commissioning of Route 8 between Cheung Sha Wan and Sha Tin;
- maintained policy overview regarding the construction of Route 8 between Tsing Yi and Cheung Sha Wan for completion in 2009; and 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 1 and 2), the Cross Bay Link and the Tseung Kwan O-Lam Tin Tunnel;
- oversaw the consultants' studies and public engagement on the temporary reclamation of the Central-Wan Chai Bypass and Island Eastern Corridor Link;

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

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- secured legislative amendments for implementing measures to deter drink driving and other inappropriate driving behaviour;
- worked jointly with franchised bus companies on the deployment of environment-friendly buses along busy corridors and enhancement of bus service rationalisation; and
- commissioned the consultancy on the rationalisation of the usage of the three road harbour crossings.

### *Matters Requiring Special Attention in 2009–10*

7 During 2009–10, the Branch will:

- oversee the further planning, including the examination of project estimates, of the SCL, the SIL (East), the XRL and the KTE;
- oversee the commissioning of the Kowloon Southern Link and the Tseung Kwan O Extension (Phase II);
- co-ordinate the implementation of the WIL;
- oversee the commencement of works for the widening of Tolo Highway/Fanling Highway between Island House Interchange and Fanling (Stage 1), and the preparation for the commencement of works for the traffic improvement to Tuen Mun Road Town Centre Section and the construction of the Central-Wan Chai Bypass and Island Eastern Corridor Link;
- continue to oversee the progress of the construction of Route 8 between Tsing Yi and Cheung Sha Wan and the 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;
- finalise the financing option for the construction cost of the HZMB Main Bridge;
- continue with the I&PD Study for the HKBCF and the HKLR, and proceed to statutory procedures for their construction;
- 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;
- review the fare adjustment arrangement for franchised bus service;
- oversee the implementation of the recommendations of the Task Force on Emergency Transport Co-ordination;
- oversee the consultancy on the rationalisation of the usage of the three road harbour crossings;
- oversee the planning and implementation of pedestrianisation schemes; and
- 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**

	2007–08 (Actual)	2008–09 (Original)	2008–09 (Revised)	<b>2009–10 (Estimate)</b>
Financial provision (\$m)	36.3#	37.1	38.4 (+3.5%)	<b>45.4</b> (+18.2%)
				(or +22.4% on 2008–09 Original)

# For comparison purpose, the figure includes relevant provisions for the air and sea communications and logistics development policy portfolios placed under the former Head 145—Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) before 1 July 2007. The relevant provisions have been transferred to Head 158 due to the re-organisation of the Government Secretariat with effect from 1 July 2007.

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

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### *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 2008–09, the Branch:

- continued to negotiate new air services agreements and reviewed air services arrangements with nine aviation partners up to October 2008, as our continuous efforts to expand Hong Kong's air services network;
- amended the Air Navigation (Hong Kong) Order 1995 to implement the key provisions of the latest requirements and recommended practices of the International Civil Aviation Organization; and applicable international practices relating to airworthiness, aircraft equipment, safety management, data preservation and personnel licensing;
- began a review of 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;
- 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 preliminary study on the feasibility of 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;
- maintained policy overview regarding the detailed feasibility study on the development of the Lantau Logistics Park (LLP) at Siu Ho Wan;
- 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 services and promote their use;
- completed the legislative process of 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);
- 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; and
- completed a training programme and follow-up research on the application of e-logistics for logistics practitioners in co-operation with the HKPC.

### *Matters Requiring Special Attention in 2009–10*

**11** During 2009–10, 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 carry out further study on the proposal of the establishing a direct rail link between them;

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

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- continue to work with the AA on initiatives that 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 CAD on the Airport Island and the replacement of the air traffic control systems;
- continue 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 LLP;
- 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
- 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.

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

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**ANALYSIS OF FINANCIAL PROVISION**

<b>Programme</b>	2007–08 (Actual) (\$m)	2008–09 (Original) (\$m)	2008–09 (Revised) (\$m)	<b>2009–10 (Estimate) (\$m)</b>
(1) Director of Bureau’s Office .....	6.8	12.5	9.6	<b>12.4</b>
(2) Land and Waterborne Transport .....	73.2	72.1	72.6	<b>76.7</b>
(3) Air and Sea Communications and Logistics Development .....	36.3	37.1	38.4	<b>45.4</b>
	116.3	121.7	120.6 (–0.9%)	<b>134.5 (+11.5%)</b>
				<b>(or +10.5% on 2008–09 Original)</b>

**Analysis of Financial and Staffing Provision**

**Programme (1)**

Provision for 2009–10 is \$2.8 million (29.2%) higher than the revised estimate for 2008–09. This is mainly due to the full-year provision for the position of Under Secretary filled in 2008–09, and the provision required for filling the position of Political Assistant.

**Programme (2)**

Provision for 2009–10 is \$4.1 million (5.6%) higher than the revised estimate for 2008–09. This is mainly due to the increased provision for filling of vacancies, salary increments, creation of two posts in 2009–10 and increase in other operating expenses, partly offset by the completion of a general non-recurrent item.

**Programme (3)**

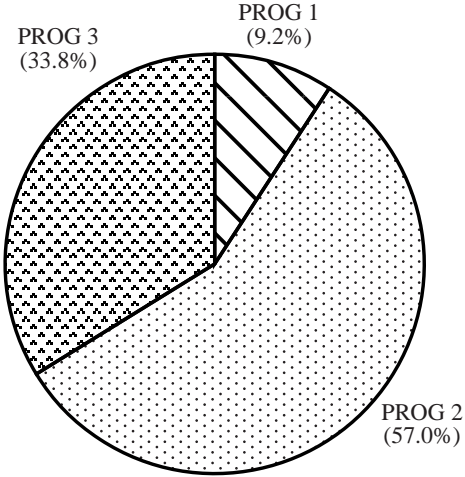
Provision for 2009–10 is \$7.0 million (18.2%) higher than the revised estimate for 2008–09. This is mainly due to the increased provision for salary increments, creation of one post in 2009–10, additional provision for enhancing the ATLA’s regulatory regime for local airlines and for promoting the use of IT among logistics service providers.

*Note:* In addition, one post will be created in 2009–10 to provide IT support to Programme (2) and Programme (3).

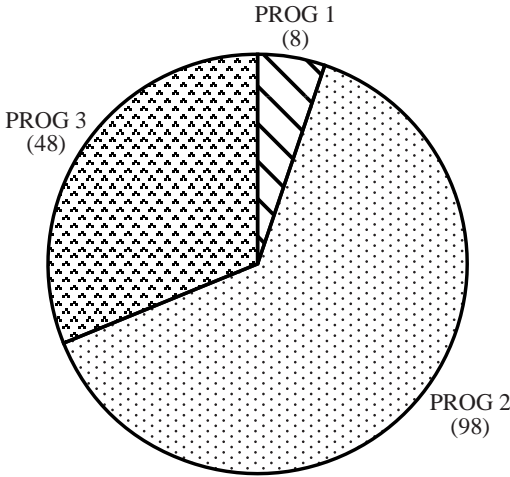
**Head 158 — GOVERNMENT SECRETARIAT: TRANSPORT AND HOUSING BUREAU (TRANSPORT BRANCH)**

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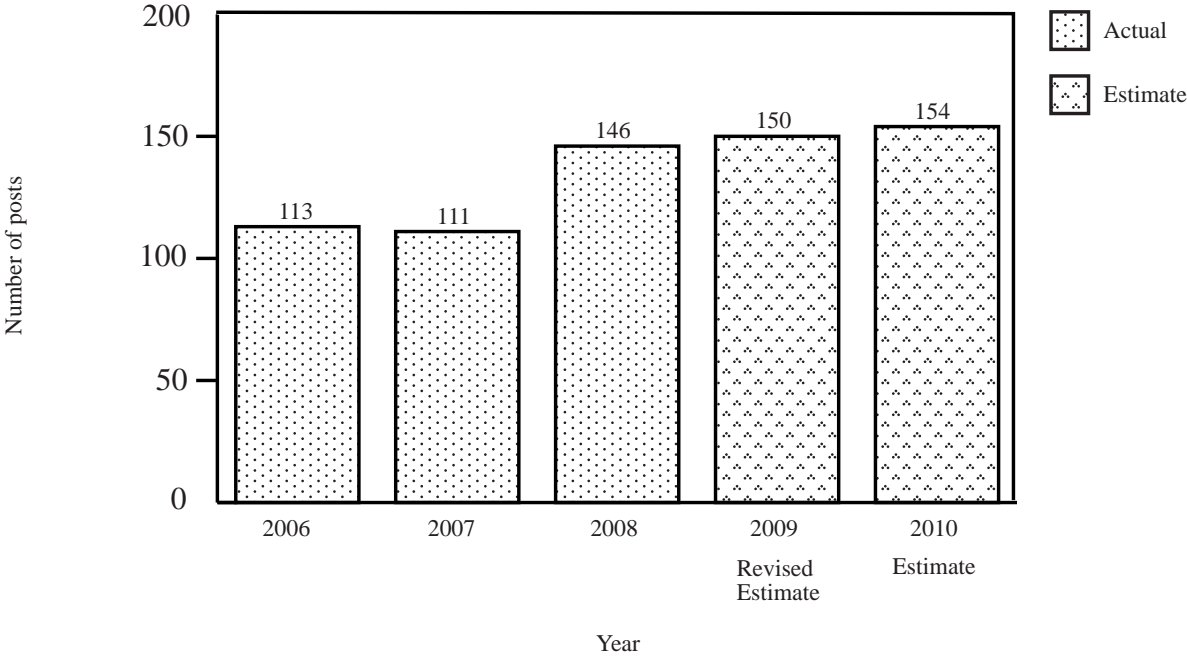
*Allocation of provision to programmes (2009-10)*



*Staff by programme (as at 31 March 2010)*



*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 2007-08	Approved estimate 2008-09	Revised estimate 2008-09	<b>Estimate 2009-10</b>	
	\$'000	\$'000	\$'000	<b>\$'000</b>	
<b>Operating Account</b>					
Recurrent					
000	Operational expenses .....	103,157	119,940	119,940	<b>133,413</b>
	Total, Recurrent.....	<u>103,157</u>	<u>119,940</u>	<u>119,940</u>	<b><u>133,413</u></b>
Non-Recurrent					
700	General non-recurrent .....	3,492	1,753	623	<b>1,124</b>
	Total, Non-Recurrent.....	<u>3,492</u>	<u>1,753</u>	<u>623</u>	<b><u>1,124</u></b>
	Total, Operating Account .....	106,649	121,693	120,563	<b>134,537</b>
<hr/>					
	Total Expenditure .....	<u><u>106,649</u></u>	<u><u>121,693</u></u>	<u><u>120,563</u></u>	<b><u><u>134,537</u></u></b>



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

### Details of Expenditure by Subhead

The estimate of the amount required in 2009–10 for the salaries and expenses of the Transport Branch is \$134,537,000. This represents an increase of \$13,974,000 over the revised estimate for 2008–09 and of \$27,888,000 over actual expenditure in 2007–08.

#### *Operating Account*

#### Recurrent

**2** Provision of \$133,413,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Transport Branch. The increase of \$13,473,000 (11.2%) over the revised estimate for 2008–09 is mainly due to the increased provision for filling of vacancies, salary increments, creation of four posts in 2009–10 and increase in other operating expenses.

**3** The establishment as at 31 March 2009 will be 150 permanent posts. It is expected that four posts will be created in 2009–10. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2009–10, but the notional annual mid-point salary value of all such posts must not exceed \$61,188,000.

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

	2007–08 (Actual) (\$'000)	2008–09 (Original) (\$'000)	2008–09 (Revised) (\$'000)	<b>2009–10 (Estimate) (\$'000)</b>
Personal Emoluments				
- Salaries .....	83,087	81,188	86,640	<b>92,537</b>
- Allowances .....	3,768	4,661	3,986	<b>3,793</b>
- Job-related allowances .....	1	2	1	<b>2</b>
Personnel Related Expenses				
- Mandatory Provident Fund contribution .....	202	233	261	<b>252</b>
- Civil Service Provident Fund contribution .....	330	444	552	<b>722</b>
Departmental Expenses				
- General departmental expenses .....	15,769	33,412	28,500	<b>36,107</b>
	103,157	119,940	119,940	<b>133,413</b>

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

**Commitments**

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2008	Revised estimated expenditure for 2008–09	Balance
			\$'000	\$'000	\$'000	\$'000
<b><i>Operating Account</i></b>						
700		<i>General non-recurrent</i>				
	013	Promotion of Hong Kong as an international maritime centre and leading port .....	3,600	3,546	—	54
	018	Developing and promoting Hong Kong as the preferred international and regional transportation and logistics centre.....	9,500	7,272	—	2,228
	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>16,750</u>	<u>12,909</u>	<u>—</u>	<u>3,841</u>