

**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 2011–12..... **\$137.4m**

Establishment ceiling 2011–12 (notional annual mid-point salary value) representing an estimated 134 non-directorate posts as at 31 March 2011 rising by ten posts to 144 posts as at 31 March 2012 ... **\$63.4m**

In addition, there will be an estimated 20 directorate posts as at 31 March 2011 and as at 31 March 2012.

Commitment balance **\$6.3m**

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

	2009–10 (Actual)	2010–11 (Original)	2010–11 (Revised)	2011–12 (Estimate)
Financial provision (\$m)	10.3	12.1	10.6 (–12.4%)	12.5 (+17.9%)
				(or +3.3% on 2010–11 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

	2009–10 (Actual)	2010–11 (Original)	2010–11 (Revised)	2011–12 (Estimate)
Financial provision (\$m)	74.4	76.3	72.7 (–4.7%)	76.3 (+5.0%)
				(or same as 2010–11 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 2010–11, the Branch:

- oversaw the implementation of the West Island Line (WIL);
- oversaw the detailed design work and the authorisation of the South Island Line (SIL) (East) and the Kwun Tong Line Extension (KTE);
- oversaw the further planning and public consultation of the Shatin to Central Link (SCL) and the gazettal of the railway scheme;
- oversaw the construction of the Hong Kong section of Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL);
- in conjunction with the governments of Guangdong and the Macao Special Administrative Region, oversaw the progress of the construction works of the Hong Kong-Zhuhai-Macao Bridge (HZMB) Main Bridge; established the legal framework for the construction and operation of the Main Bridge; and agreed with the lead bank the frameworks for borrowing and repayment for the construction cost of the HZMB Main Bridge;
- oversaw the progress of investigation and detailed design on reclamation works of the Hong Kong Boundary Crossing Facilities (HKBCF) and the taking forward of design and build contracts on the Hong Kong Link Road (HKLR);
- maintained policy overview regarding 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-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 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 taking forward of the feasibility studies on the proposed pedestrian schemes in Causeway Bay and Mong Kok; and the progress of the public engagement exercise on the proposed pedestrian scheme in Yuen Long town centre;
- reviewed the operation of the Tuen Mun Ferry Terminal and conducted an open tender exercise to invite bids for the operation of cross-boundary ferry service upon the expiry of the tenancy agreement in December 2010;
- reached agreement with the relevant Guangdong authorities on the quota arrangements for cross-boundary vehicles and secured 65 special quotas with additional northbound trips for cross-boundary school bus services;
- reached an agreement with the relevant Guangdong authorities to extend the arrangement for private car quota holders of Lok Ma Chau/Man Kam To/Shu Tau Kok land crossings to use the Shenzhen Bay Port for two years till 30 September 2012;
- oversaw the implementation of the recommendations of the Task Force on Emergency Transport Co-ordination;
- oversaw the implementation of measures to enhance the safety of public light bus operation;
- introduced legislative amendments to deter drink driving and other inappropriate driving behaviour;
- consulted the public on proposals to combat drug driving;
- completed the consultancy study on the rationalisation of the usage of the three road harbour crossings and consulted the public on the consultants' findings and recommendations;
- worked jointly with franchised bus companies on the deployment of environment-friendly buses along busy corridors and enhancement of bus service rationalisation; and
- completed 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 2011–12

7 During 2011–12, the Branch will:

- continue to oversee the further planning and public consultation, including the examination of project estimates, of the SCL;
- oversee the preparation for the commencement of works for and implementation of the SIL (East) and the KTE;
- continue to oversee the construction of the Hong Kong section of the XRL;

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- continue to oversee the implementation of the WIL;
- oversee the commissioning of the review and update of the Railway Development Strategy 2000;
- 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), 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 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, continue to oversee the works of the HZMB Main Bridge;
- secure funding approval for the construction works of the HKBCF, the detailed design and construction works of the HKLR, and the detailed design works of Tuen Mun-Chek Lap Kok Link;
- 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 on implementation details relating to the introduction of ad hoc quota for cross-boundary private cars at the Shenzhen Bay Port for trial;
- monitor the utilisation of the Tuen Mun Ferry Terminal for cross-boundary ferry service;
- continue to take forward the proposed pedestrian schemes in Causeway Bay, Mong Kok and Yuen Long town centre;
- continue to oversee the implementation of the recommendations of the Task Force on Emergency Transport Co-ordination;
- continue to oversee the introduction of new measures by means of legislation, enforcement and education to enhance road safety, including legislative proposals to deter drug driving and enhance safety of public light bus operation; and
- continue to assess the feasibility of options to rationalise the usage of the three road harbour crossings in the light of the recommendations of the consultancy study.

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

	2009–10 (Actual)	2010–11 (Original)	2010–11 (Revised)	2011–12 (Estimate)
Financial provision (\$m)	41.0	46.0	39.6 (–13.9%)	48.6 (+22.7%)
				(or +5.7% on 2010–11 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 2010–11, the Branch:

- concluded the negotiation on new air services agreements with two aviation partners and reviewed air services arrangements with another five aviation partners up to October 2010, as our continuous efforts to expand Hong Kong's air services network;
- completed the review on the regulatory regime of the Air Transport Licensing Authority (ATLA) for our local airlines, and consulted the relevant stakeholders on the proposals arising from the review;

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- 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 the Hong Kong International 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 new runway;
- fostered closer co-operation between the HKIA and the Shenzhen International Airport and completed a pre-feasibility study on establishing a direct rail link between them;
- 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;
- made available suitable sites for the development of a logistics cluster and for other port related uses in the Kwai Tsing area;
- maintained discussion with the Guangdong authorities over cross-boundary freight flow;
- worked with the logistics industry to promote e-logistics;
- worked with the Hong Kong Productivity Council (HKPC) to monitor the implementation 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 and implement a training programme for the freight logistics sector.

Matters Requiring Special Attention in 2011–12

11 During 2011–12, the Branch will:

- continue to work with the AA on the Hong Kong International Airport Master Plan 2030 Study and, upon completion of the study, a public consultation process is expected to take place in the first half of 2011;
- continue to foster closer co-operation between the HKIA and the Shenzhen International Airport and to take forward the planning of the Hong Kong-Shenzhen Western Express Line in collaboration with the Shenzhen authorities;
- 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 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;
- continue to oversee the development of a new departmental building of the CAD on the Airport Island and the replacement of the air traffic control systems;
- follow up the proposals arising from the review of the ATLA's regulatory regime;
- 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 and promote wider understanding and appreciation of its benefits by the trucking sector;
- 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 channels.

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ANALYSIS OF FINANCIAL PROVISION

Programme	2009–10 (Actual) (\$m)	2010–11 (Original) (\$m)	2010–11 (Revised) (\$m)	2011–12 (Estimate) (\$m)
(1) Director of Bureau's Office.....	10.3	12.1	10.6	12.5
(2) Land and Waterborne Transport.....	74.4	76.3	72.7	76.3
(3) Air and Sea Communications and Logistics Development.....	41.0	46.0	39.6	48.6
	125.7	134.4	122.9 (-8.6%)	137.4 (+11.8%)
				(or +2.2% on 2010–11 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2011–12 is \$1.9 million (17.9%) higher than the revised estimate for 2010–11. This is mainly due to the provision required for filling the position of Political Assistant.

Programme (2)

Provision for 2011–12 is \$3.6 million (5.0%) higher than the revised estimate for 2010–11. This is mainly due to the increased provision for creation of seven posts in 2011–12.

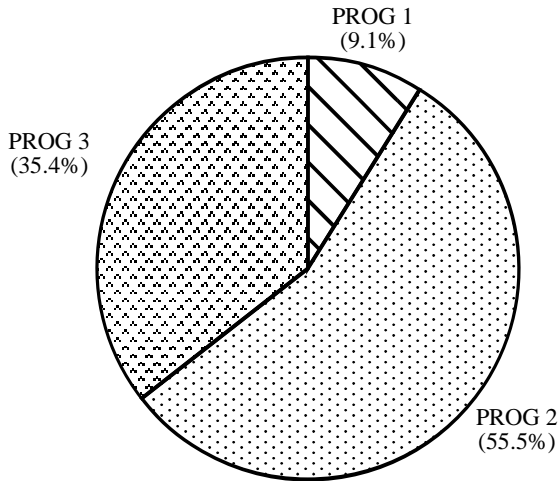
Programme (3)

Provision for 2011–12 is \$9.0 million (22.7%) higher than the revised estimate for 2010–11. This is mainly due to the increased provisions for operating expenses and non-recurrent items.

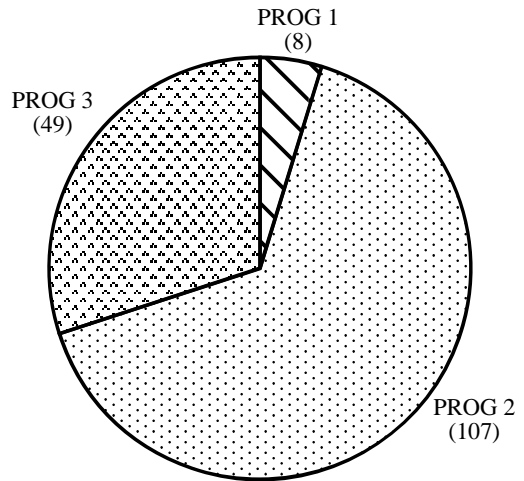
Note: In addition, three posts will be created in 2011–12 to provide support to Programme (2) and Programme (3).

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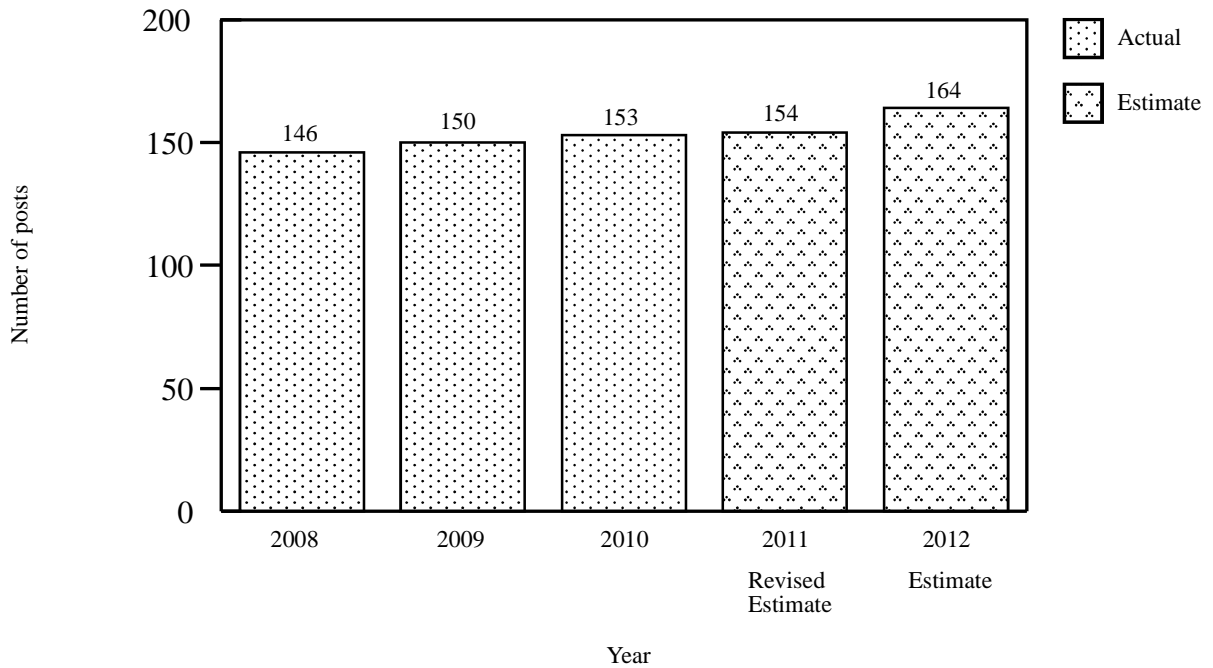
*Allocation of provision
to programmes
(2011-12)*



*Staff by programme
(as at 31 March 2012)*



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



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Sub-head (Code)	Actual expenditure 2009–10	Approved estimate 2010–11	Revised estimate 2010–11	Estimate 2011–12	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses.....	120,943	129,970	121,453	133,117
	Total, Recurrent	120,943	129,970	121,453	133,117
Non-Recurrent					
700	General non-recurrent	4,766	4,388	1,478	4,316
	Total, Non-Recurrent	4,766	4,388	1,478	4,316
	Total, Operating Account.....	125,709	134,358	122,931	137,433
	Total Expenditure	125,709	134,358	122,931	137,433

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Details of Expenditure by Subhead

The estimate of the amount required in 2011–12 for the salaries and expenses of the Transport Branch is \$137,433,000. This represents an increase of \$14,502,000 over the revised estimate for 2010–11 and of \$11,724,000 over actual expenditure in 2009–10.

Operating Account

Recurrent

2 Provision of \$133,117,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Transport Branch. The increase of \$11,664,000 (9.6%) over the revised estimate for 2010–11 is mainly due to the increased provisions for creation of ten posts and other operating expenses.

3 The establishment as at 31 March 2011 will be 154 permanent posts. It is expected that ten posts will be created in 2011–12. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2011–12, but the notional annual mid-point salary value of all such posts must not exceed \$63,424,000.

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

	2009–10 (Actual) (\$'000)	2010–11 (Original) (\$'000)	2010–11 (Revised) (\$'000)	2011–12 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	87,265	88,169	88,357	92,881
- Allowances	4,298	4,646	3,562	3,099
- Job-related allowances.....	—	2	1	2
Personnel Related Expenses				
- Mandatory Provident Fund contribution	334	351	255	139
- Civil Service Provident Fund contribution	725	938	1,919	2,782
Departmental Expenses				
- General departmental expenses.....	28,321	35,864	27,359	34,214
	<hr/> 120,943	<hr/> 129,970	<hr/> 121,453	<hr/> 133,117

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Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2010	Revised estimated expenditure for 2010-11	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	8,000	320	1,180
021	Organisation of an international logistics conference		900	168	—	732
023	Promotion of Hong Kong's logistics advantages under the Mainland/Hong Kong Closer Economic Partnership Arrangement		600	—	103	497
928	Consultancy study on potential repositioning sites for oil depots affected by the proposed port development at Southwest Tsing Yi		7,000	2,096	1,017	3,887
	Total		<u>18,000</u>	<u>10,264</u>	<u>1,440</u>	<u>6,296</u>