

**Presentation by Secretary for Transport
at the Special Meeting of the Finance Committee
on Tuesday, 26 March 2002**

Mr Chairman,

This is the fifth and also the last time I attend the special Finance Committee meeting as Secretary for Transport to brief members on transport-related expenditures in the Budget. To start with, I will sum up what have been achieved over the past five years, and give a brief account of the way forward. Then I will explain our priority programmes and financial arrangements in the coming financial year. For further details, Members may refer to the document submitted by Transport Bureau and the Draft Estimates for 2002-03.

Transport Planning

2. On transport planning, we have formulated our Transport Strategy for the Future and Railway Development Strategy 2000, which map out the blueprint for the development of our transport system in the next decade or beyond.

Railways

3. We have taken concrete action to implement our rail-based strategy. From now to 2007, we will see the completion of 6 railways, one for almost every year. The railway network will be expanded to cover areas including Tseung Kwan O, Northwest New Territories and Ma On Shan, and to provide a second cross-boundary railway link at Lok Ma Chau. In addition, preparation work for another six railways is in full swing. By 2016, 70% of our population and 80% of our working population will be within walking distance of railway stations.

Roads

4. We have also completed numerous road projects, including for example the Ting Kau Bridge, Hung Hom Bypass and Tsing Yi North Coastal Road. An understanding has also been reached with the Mainland to join efforts in the construction of the Shenzhen Western Corridor. We have also established the Strategic Highway Projects Review mechanism to ensure that such projects are justified by actual transport demand and are completed in a timely manner.

Public Transport Services

5. As regards franchised bus services, we awarded a franchise to a new bus operator in 1998. The existing five operators have improved their services markedly in areas such as service network and passenger information. In the past five years, 43 bus-bus interchange schemes have also been put in place by them to offer concessions and convenience to passengers. The two railway corporations have also made continuous efforts to improve their services. The MTR Corporation Limited (MTRCL) has completed its train refurbishment programme and the Quarry Bay Congestion Relief Works and will complete its programme to retrofit some of its stations with platform screen doors by 2003. The Kowloon-Canton Railway Corporation (KCRC) has installed the Automatic Train Protection System, procured new trains, and completed the refurbishment works at Hung Hom Station and improvement works at Light Rail stations. It must also be pointed out that MTRCL was privatized in 2000 as the first public body to be listed.

6. In addition, we have introduced a number of measures to enhance the service of taxis and public light buses, including distributing self-learning packages to taxi drivers and conducting workshops for the public light bus operators and drivers. On ferry services, we are pleased to note that the new operator has performed well in service delivery.

Road Safety

7. In respect of road safety, we have enacted a series of legislation to, inter alia, tighten the control on Blood Alcohol Content limit, prohibit the use of mobile phone while driving, introduce the probationary driving licence for motorcyclists, impose heavier penalty on excessive speeding, and introduce the Driver Improvement Scheme. These measures have significantly improved road safety.

Cross-Boundary Traffic

8. We have seen a significant increase in cross-boundary traffic over the past five years : the number of passengers has doubled and vehicular flow increased by one-third. KCRC has been able to rise to the challenge with efficient and reliable service. Last year, the operator of the cross-boundary shuttle bus service at Lok Ma Chau started to replace its fleet with new buses, and increased its carrying capacity by 30%. The Government has also implemented various improvement measures at boundary crossings. It is anticipated that cross-boundary traffic will be further improved upon the commissioning of the Shenzhen Western Corridor and the Sheung Shui to Lok Ma Chau Spur Line.

Traffic Management

9. On traffic management, we are now developing a comprehensive Intelligent Transport System (ITS) which will ensure more effective use of our existing transport infrastructure.

Environmental Protection

10. On environmental protection, the public have responded favourably to the pedestrianization schemes we have been promoting in the past few years. More than 80% of taxis have been converted to run on LPG, and all pre-Euro engine franchised buses have been equipped with diesel catalysts.

Future Priority Programmes

11. Looking forward, we will focus our efforts on the implementation of our priority railway and road projects. At the same time, we will continue to monitor the performance of public transport services, improve the management of public transport interchanges, step up the management of road maintenance works and develop the ITS, so as to achieve a safe, reliable, efficient and environmentally friendly transport system.

Transport Expenditure in 2002-03

12. The allocation for the Transport Policy Area in 2002-03 will be \$7.365 billion, or a 17.3% increase in real terms over the revised estimates for 2001-02.

Recurrent Expenditure

13. Recurrent expenditure will be around \$3.1 billion, or an increase of 5.5% in real terms over that of last year. The additional provision will mainly go to the following services:

- (a) implementing the items listed in the Railway Development Strategy 2000;
- (b) supervising the design of the Shenzhen Western Corridor and the Deep Bay Link;
- (c) contracting out the management of public transport interchanges;
- (d) stepping up the control on excavation permit sites;
- (e) taking over the maintenance of the Vehicle and Driver Licensing Integrated Data (VALID) System from the Information Technology Services Department, and the management of the Cross Border Permit Office from the Immigration Department; and
- (f) maintenance and requirements for existing and newly completed roads.

Capital Expenditure

14. The increase of \$910 million in capital expenditure, representing a growth of 27.8% in real terms, is due to an increase in the allocation for road projects, and in the expenditure on major systems and equipment as well as computerization projects. Subject to funding approval by the Finance Committee of the Legislative Council, a number of major road projects will start construction in 2002-03, including the Chok Ko Wan Link Road, and Route 9. In addition, we will also:

- (a) replace the systems and equipment of a number of tunnels;
- (b) install the Journey Time Indication System;
- (c) improve the ventilation systems of covered public transport interchanges; and
- (d) develop the Transport Information System.

We will also seek funding approval of the Finance Committee to :

- (e) procure new parking meters that accept reloadable smart cards; and
- (f) implement the Highway Maintenance Management System.

15. The Commissioner for Transport, the Director of Highways and I will now answer your questions about the estimates for this Policy Area.