

Speaking Notes for
Secretary for the Environment, Transport and Works
Special Meeting of the Finance Committee
(Transport Portfolio)
14 April 2005

Chairman,

I am delighted to attend the special meeting of the Finance Committee today to brief Members on the part of the 2005-06 Estimates which relates to the transport portfolio.

2. The allocation for this policy area in the 2005-06 financial year is about \$10.9 billion, representing a decrease of \$1.45 billion or 12.01% in real terms over the revised estimate for last year.

3. Of the total allocation of \$10.9 billion, the operating expenditure is about \$3.0 billion, which is \$9 million less than the revised estimate for last year. The net reduction is mainly due to a reduced requirement in Transport Department's Departmental Expenses for Contract Maintenance, Workshop Services and General departmental expenses arising from the cessation of the contractor management scheme for public transport interchanges, and further discount of charges through joining the Service Level Agreement with the Electrical and Mechanical Services Trading Fund. There is also a reduction in Highways Department's requirement for Highways Maintenance following the revisiting of the road

maintenance works schedule, partly offset by additional electricity requirement for street lighting, traffic signals and ventilation equipment in public transport interchanges. In 2005-06, there will be a net reduction of 2 and 27 posts in Transport Department and Highways Department respectively.

4. The provision for capital expenditure in 2005-06 is around \$7.9 billion, which is about \$1.44 billion less than the revised estimate for last year and represents a decrease of 15.84% in real terms. The decrease is mainly due to a net decrease in expenditure for capital works projects as a result of completion of a number of mega projects such as the Hong Kong-Shenzhen Western Corridor, Deep Bay Link, Widening of Yuen Long Highway between Lam Tei and Shap Pat Heung Interchange.

5. I will now outline the priority areas under the Transport portfolio in the coming year:

- (i) We will continue to plan and implement the various cross boundary infrastructure projects with a view to enhancing further our link with the Mainland. We will monitor closely the construction of the Hong Kong-Shenzhen Western Corridor for completion by end 2005, and the Sheung Shui to Lok Ma Chau Spur Line for completion by 2007. We will coordinate joint effort among the governments of Guangdong, Hong Kong and Macao in the preparatory work for the Hong Kong –

Zhuhai – Macao Bridge with an aim to facilitating early implementation of the project. We are also exploring the feasibility of using the West Rail and the proposed Northern Link to form the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link. Apart from the hardware, we will also review the current regulatory system for cross-boundary vehicles in preparation for the commissioning of the Hong Kong–Shenzhen Western Corridor.

- (ii) On local transport infrastructure, we will monitor the implementation of the Disneyland Resort Line for completion in 2005 to tie in with the Opening of the Disneyland. We will also oversee the planning of the Sha Tin to Central Link and the implementation of the Kowloon Southern Link, and will explore jointly with the MTR Corporation Limited the West Hong Kong Island Line and South Hong Kong Island Line projects. We will also continue to implement the various highways projects under construction, including Deep Bay Link and the widening of the Yuen Long Highway for completion in 2005, and Route 8 for completion in 2007 to 2008.
- (iii) On public transport services, we will oversee the deliberation on the way forward of the merging of the MTR Corporation Limited and the Kowloon-Canton Railway Corporation. We will also aim to finalise the formulation of a more objective and

transparent fare adjustment mechanism for public transport services, and implement measures to improve the regulation of non-franchised bus operation.

- (iv) Finally on the environment and safety side, we will work closely with franchised bus companies on the deployment of environmentally-friendly buses along busy corridors, and oversee the implementation of new measures by means of legislation, enforcement and education to enhance road safety. Highways Department will also strengthen the bridge parapets and road side barriers at 39 designated locations to further improve road safety.

6. Chairman, I, together with the Permanent Secretary for Transport, Director of Highways and the Commissioner for Transport, would be pleased to answer Members' questions on this part of the Estimates.

Environment, Transport and Works Bureau

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