

Speaking Notes for
Secretary for the Environment, Transport and Works
Special Meeting of the Finance Committee (Transport)
16 March 2006 at 5:15 pm

Chairman,

I am delighted to attend the special meeting of the Finance Committee today to brief Members on the part of the 2006-07 Estimates which relates to the transport portfolio.

2. The allocation for the policy area of transport in the 2006-07 financial year is about \$9.08 billion, representing a decrease of about \$1.67 billion or 15.64% in real terms over the revised estimate for last year.

3. Of the total allocation of \$9.08 billion, the operating expenditure is about \$3.05 billion, which is \$110 million or 3.35% in real terms more than the revised estimate for last year. The additional allocation will mainly be used for a number of services, including:

- (a) providing professional support in respect of processing land compensation claims and land matters for various railway projects;
- (b) taking over the maintenance of public piers from Economic Development and Labour Bureau;
- (c) strengthening the vegetation maintenance service for roadside slopes and high speed roads; and

- (d) pressing ahead with other transport-related tasks such as implementation of various road safety measures as well as the recommendations of the Task Force on Emergency Transport Co-ordination, etc.

As regards the number of posts, there will be a net reduction of 23 and 22 posts in Transport Department and Highways Department respectively in 2006-07.

4. The provision for capital expenditure in 2006-07 is around \$6.03 billion, which is about \$1.78 billion less than the revised estimate for last year, representing a decrease of 22.80% in real terms. The decrease is mainly due to a net decrease in expenditure for highway projects as a result of the completion in this financial year of a number of mega projects such as the Hong Kong section of the Hong Kong-Shenzhen Western Corridor and Deep Bay Link. In addition, various major projects such as Castle Peak Road Improvements between Area 2 and Sham Tseng, and between Sham Tseng and Ka Loon Tsuen in Tsuen Wan, are approaching completion and there is therefore a reduction in their cashflow requirements.

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

- (a) We will implement various cross-boundary transport infrastructure projects with a view to providing more and better boundary crossings to support the ever-increasing regional

economic cooperation between Hong Kong and the Mainland. In the light of the current works progress, the Shenzhen section of the Hong Kong-Shenzhen Western Corridor and the main works of the boundary crossing facilities at Shekou can be completed end of this year. The target is to seek to commission the Hong Kong-Shenzhen Western Corridor in the first half of next year. Before its commissioning, we will firm up with the Mainland authorities the relevant regulatory arrangements for cross-boundary vehicles. In addition, we will monitor closely the progress of the Sheung Shui to Lok Ma Chau Spur Line, and will make preparation for its commissioning next year. We will also proceed with further planning work for the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the advance work for the Hong Kong-Zhuhai-Macao Bridge.

- (b) On local transport infrastructure, we will monitor the construction of the Kowloon Southern Link for commissioning in 2009. We will also actively pursue the planning of the Shatin to Central Link, the Northern Link and the West Island Line, and assess the viability of the South Island Line. We will at the same time proceed with the planning for the Central Kowloon Route and the widening of Gascoigne Road Flyover, and continue to implement the various highway projects under construction, including Castle Peak Road Improvements for completion in phases between this year and next year, and

Route 8 for completion in phases from 2007 to 2008.

- (c) On public transport services, we will, in conjunction with Financial Services and the Treasury Bureau, seek to complete the negotiations with MTR Corporation Limited on the transaction terms for a possible merger between the two railway corporations and make an announcement as soon as possible.
- (d) On road safety, we will further enhance road safety by means of legislation, enforcement as well as publicity and education. We will also introduce a voluntary registration scheme for vehicle mechanics to enhance the standard of the vehicle maintenance trade.
- (e) On traffic management, we will spare no effort in implementing the recommendations of the Task Force on Emergency Transport Co-ordination, with a view to enhancing the efficiency and coordination in handling traffic and transport emergencies, and disseminating traffic information to the public through different channels in a timely manner.
- (f) Finally on the environment side, we will continue to work closely with franchised bus companies on the deployment of environmentally friendly buses along busy corridors to help improve air quality.

6. Chairman, I, together with the Permanent Secretary for Transport, the 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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