

The 2007-08 Budget
Special Meeting of the Finance Committee (Transport)
on 22 March 2007

Speaking Notes for
Secretary for the Environment, Transport and Works

※ ※ ※ ※ ※ ※

Chairman and Honourable Members,

The Financial Secretary delivered the 2007-08 Budget on 28 February 2007. Today, I would like to brief Members on the part of the Estimates which relates to the transport portfolio.

2. The allocation for the policy area of transport in the 2007-08 financial year is about \$7.25 billion, which represents a decrease of about \$1.59 billion or 18.17% in real terms over the revised estimate for last year.

3. Of the total allocation of \$7.25 billion, the operating expenditure is about \$3.16 billion, which is \$0.21 billion or 7.1% in real terms more than the revised estimate for last year. The additional allocation will mainly be used for a number of services, which include:

- (a) providing reserve for carrying out maintenance services of the newly completed road projects, which include the Hong Kong-Shenzhen Western Corridor (SWC), Deep Bay Link and Route 8 between Tsing Yi and Shatin;
- (b) contracting out of the management, operation and maintenance of the Tsing Sha Control Area; and
- (c) strengthening the vegetation maintenance service for roadside slopes.

As regards the number of posts, there will be a net increase of 23 and 102 posts in the Transport Department and Highways Department respectively. Such increase is to meet the operational needs for the provision of various services, including those mentioned above.

4. The provision for capital expenditure in 2007-08 is around \$4.09 billion, which is about \$1.8 billion or 30.88% in real terms less than the revised estimate for last year. The decrease is attributable to the completion of a number of major road projects, such as the widening of Yuen Long Highway between Lam Tei and Shap Pat Heung Interchange and the improvement of Castle Peak Road between Area 2 of Tsuen Wan and Sham Tseng, within this financial year. In addition, various major projects, including Route 8 between Cheung Sha Wan and Shatin and the improvement of Castle Peak Road between Sham Tseng and Siu Lam, are approaching completion. There is therefore a reduction in the relevant cash flow requirements.

5. In the coming year, our priority areas under the transport portfolio are as follows:-

- (a) on cross-boundary transport infrastructure, we are pressing ahead for the commissioning of the SWC and the Sheung Shui to Lok Ma Chau Spur Line in mid-2007. We will also continue our efforts in taking forward the planning work of the Guangzhou-Shenzhen-Hong Kong Express Link and the advance work of the Hong Kong-Zhuhai-Macao Bridge;
- (b) on local transport infrastructure, Route 8 between Cheung Sha Wan and Shatin is expected to be opened for use by end 2007. We will continue to monitor the progress of the Kowloon Southern Link for completion in 2009. We will also actively pursue the planning work of the Shatin to Central Link, the Northern Link and the West Island Line, and assess the viability of the South Island Line. Besides, we will continue with the implementation

of various highway projects, including Route 8 between Tsing Yi and Cheung Sha Wan and the improvement of Tung Chung Road between Lung Tseng Tau and Cheung Sha;

- (c) on local transport, the Bills Committee of the Legislative Council is now deliberating on the Rail Merger Bill. We are looking forward to the early implementation of the merger so that passengers can benefit from the fare reduction and improved interchange arrangements to be brought about by the merger as soon as possible;
- (d) on road safety, we will further enhance road safety by means of legislation, enforcement and education;
- (e) on traffic management, we will monitor the implementation of the recommendations of the Task Force on Emergency Transport Co-ordination, with a view to enhancing the efficiency and co-ordination in handling traffic and transport emergencies; and
- (f) finally on environmental protection, we will continue to implement a series of measures, including encouraging the bus companies to deploy environmentally friendly buses along busy roads and enhancing bus service rationalisation as well as stepping up related publicity and education efforts, so as to reduce roadside pollution, noise nuisance and traffic congestion.

6. The above is my brief introduction on the part of the 2007-08 Estimates relating to the transport portfolio. I would be pleased to hear Members' views and answer questions on this part of the Estimates. Thank you.