

**Opening Remarks by the Secretary for Transport and Housing
at the LegCo Special Finance Committee Meeting (Transport)
on 23 March 2010**

Honourable Chairperson,

Today, I would like to brief Members on the part of the Estimates and our priority areas under the Transport portfolio in the new financial year.

2. The allocation for the transport portfolio in the new financial year is \$21.8 billion, which includes the provision required for the implementation of a number of cross-boundary and domestic transport infrastructure projects this year.

3. In the past year, we achieved significant progress on various **transport infrastructure projects**. The Kowloon Southern Link and the Tseung Kwan O Extension (Phase II) were commissioned in mid-2009, and the construction of the West Island Line started in mid 2009, with a view of completion in 2014. As for the Hong Kong-Zhuhai-Macao Bridge, works in respect of the Main Bridge commenced in mid December, and we will continue to press ahead the works of Hong Kong Boundary Crossing Facilities and Hong Kong Link Road projects to tie in with that of the Main Bridge. After years of public discussions and detailed planning, the Finance Committee of the Legislative Council approved the funding application of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL) in January 2010. The construction of the Hong Kong section of the XRL has started, with a view of completion in 2015. Moreover, Phase I works for the widening of Tolo Highway commenced in August 2009, while the Central-Wan Chai Bypass and Island Eastern Corridor Link project started construction in January 2010.

4. As for projects that are in planning, the statutory process of consultation and objection handling for the South Island Line (East) and the Kwun Tong Line Extension commenced after their respective gazettal in July and November 2009, with a view to commencing the works in 2011. We will also continue our consultation work on the Shatin to Central Link so as to press ahead the subsequent planning and design work. At the same time, we will continue with the preparatory work for

other projects including the Tuen Mun-Chek Lap Kok Link and Tuen Mun Western Bypass, the Central Kowloon Route and the Tseung Kwan O-Lam Tin Tunnel, etc.

5. On **civil aviation**, we will strengthen Hong Kong's position as an international and regional aviation centre on various fronts. We will continue to proactively pursue expansion in the bilateral air services arrangements with our aviation partners in support of the development of the aviation industry. We have recently completed the review of the Air Transport Licensing Authority's regulatory regime, and began in late February consulting the relevant stakeholders on the initiatives arising from the review. Moreover, we will continue to work with the Hong Kong Airport Authority in implementing the airport mid-field expansion project and aim to complete the Airport Master Plan 2030 Study within the year.

6. On **maritime and logistics development**, we will continue to reinforce Hong Kong's status as an international maritime centre and a regional logistics hub. We will continue to better our shipping register service and continue to collaborate with the shipping industry to promote the professional maritime services in Hong Kong. To ensure sustainable development of Hong Kong port, as well as strengthening its competitiveness, we commissioned a consultancy study in March 2009 to look into the preliminary feasibility of constructing Container Terminal 10 at Southwest Tsing Yi. The study is expected to complete in 2011. Moreover, we are taking forward a project to deepen the Kwai Tsing container terminal basin and its approaches to 17 m to meet the needs of the new generation of ultra-large container ships.

7. On the **logistics development** front, we are actively following up on the development of a logistics cluster in the Kwai Tsing area. Terms conducive to attracting professional third party logistics service providers and international brands to use Hong Kong as their regional distribution centres would be incorporated in the land leases as appropriate. This would facilitate the migration of the logistics sector to the provision of high value-added services and the handling of high value goods. We plan to release the first site, which is in Tsing Yi through open tender in the second half of this year. Separately, we shall continue to work with the industry to promote e-logistics, as well as to implement measures which would help enhance the operating efficiency

of the sector. In parallel, we shall continue to work closely with the Mainland authorities so as to strengthen Hong Kong's position in the global supply chain.

8. Regarding **traffic management**, the Government is taking forward a consultancy study on how the traffic distribution among road harbour crossings may be improved, with a view to identifying options feasible in transport, financial and legal terms. We expect that the consultancy study will be completed in the first half of 2010. The Government will keep an open mind in considering various options that would enable the Government to implement more reasonable toll levels and improved the traffic distribution. Upon receipt of the consultancy report, we will consider carefully from different perspectives the findings of the study and feasibility of the recommendations. We will share with the public the consultant's recommendations and the Government's considerations, and listen to their views.

9. On **road safety**, we will continue to enhance road safety through legislative, enforcement and educational measures. The random breath testing introduced since February last year has deterred drink driving to a certain extent. As at the end of 2009, there was a significant decrease of 67% in traffic accidents that were related to drink driving, as compared with the same period in the previous year. Combating drink driving will continue to be a major task this year. We are going to introduce a Bill, which aims to increase the penalties on drink driving offences, for examination in the second quarter. On the other hand, we understand the public concern about traffic accidents caused by motorists who drive under the influence of drugs, particularly dangerous drugs. Therefore, another major task this year will be tackling the drug driving problem. In this regard, we are drawing reference from overseas experience in considering test methods to differentiate a motorist who drives under the influence of drugs. We will also study how the legislation should be amended to better facilitate the enforcement action and evidence collection by the Police, including the need for heavier penalties to deter drug driving. We hope to formulate some initial proposals for public consultation in around mid-2010.

10. Besides, to enhance the safety of public light bus service, the Transport Department will firstly introduce a new condition in the vehicle licence and passenger service licence of public light buses requiring all

public light buses to be installed with a speed limiter. The Transport Department has already notified registered owners and holders of passenger service licence of public light buses that the new condition will take effect on 7 June 2010. All public light buses will, from that date onwards, be required to be installed with a speed limiter approved by TD within three months from the effective date of the new vehicle licence. We also plan to introduce in 2010-11 legislative session proposals to govern the installation of speed limiter, stipulate the maximum speed limit for public light buses, specify the requirements of black box for newly registered public light buses, and require applicants for public light bus driving licence to attend a pre-service training course.

11. Chairperson, in conclusion, we have a clear way forward. We will continue to press ahead with our strategic cross-boundary and domestic transport infrastructure projects. We will also reinforce Hong Kong's status as an international and regional aviation, maritime and logistics hub. My colleagues and I will maintain close communication with the LegCo with a view to winning Member's support to our works.

12. My colleagues and I would be pleased to answer questions from Members. Thank you Chairperson.

Transport and Housing Bureau
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