

**Speech by the Secretary for Transport
at the Special Finance Committee Meeting on 22.3.2000**

Chairman,

First of all, I would like to brief members on the expenditure in the area of transport as highlighted in the 2000/2001 Budget. The Commissioner for Transport, the Director of Highways and I would be happy to take your questions afterwards.

2. In 2000 – 01, the allocation for the Transport Policy area is \$6.5 B, which is 5.9% below last year's allocation since we require less capital expenditure after the completion of some major capital projects. Of the \$6.5 B, about \$2.97 B is recurrent expenditure, which is 2.1% more than last year's allocation. The capital expenditure is \$3.57 B.

Recurrent expenditure

3. As regards recurrent expenditure, the Transport Bureau, Transport Department and Highways Department have all achieved the Enhanced Productivity Programme target of reducing recurrent expenditure on existing services by 1% by 2000-01.

4. In the coming year, we will need additional resources for creating new posts to implement some new projects. These include new environmental initiatives such as the planning and implementation of pedestrianisation schemes, the introduction of more stringent vehicle emission standards, and the planning of a pilot scheme to install noise reduction facilities on existing roads. Furthermore, we are embarking on a number of major capital projects and undertaking the planning of some projects. [Deep Bay Link and Route 10; Route 9 (Tsing Yi to Sha Tin), Route 7, Central and Wanchai Bypass, Tsing Yi North Coastal Road and the widening of Tolo Highways, Fanling Highway, and Yuen Long Highway.] These projects will require the creation of 13 posts. Together with additional recurrent maintenance costs, these represent an overall increase of 2.1% in recurrent expenditure in the coming year. [Total recurrent expenditure on transport :- 1999 - 2000 : \$2.91B; 2000 – 2001 : \$2.97 B]

Capital expenditure

5. The capital expenditure will be mostly spent on expanding our rail and road network to meet the needs of the community.

Railways

6. Our six committed rail projects involve a total investment of over \$100 B. As these projects are undertaken by the railway corporations, the buck of the capital work expenditure on the railway projects is not included in the draft Estimates. West Rail and Tseung Kwan O Extension are already under construction. We expect the East Rail extensions to start work in the coming financial year. We also aim to gazette the railway scheme for the Disney Rail Link in the coming financial year. The completion of these projects will extend the rail network from the existing 143 km to over 200 km. The share of rail as a public transport mode will increase from the existing 33% to 38% in 2005. By then, 70% of the total population in Hong Kong will live within the rail catchment areas.

7. Apart from the above six projects, the Second Railway Development Study is examining a new batch of railway projects which will formulate a blueprint for the next phase of railway development in Hong Kong. The Study is now in the final evaluation stage and will be completed shortly. It is estimated that the future railway expansion plans will involve a total investment of about \$80B in 1998 prices.

Roads

8. On road works, we have completed a number of major projects in the past two years. These include the Hung Hom Bypass and Princess Margaret Road Link (project cost : \$1, 375B), Ting Kau Bridge (project cost : \$3.733 B), Smithfield Road Extension (project cost : \$485 M), Yuen Long Southern Bypass and Lung Cheung Road and Ching Cheung Road Improvement (project cost : \$1.128 B).

9. We have just started or about to start a number of major projects. These include the construction of the Tsing Yi North Coastal Road (project cost : \$1.604 B), the widening of Tolo Highway (project cost : \$2.507 B), the widening of Yuen Long Highway, and the building of three sets of pedestrian subways in the Tsim Sha Tsui area (Kowloon

Park Drive/Salisbury Road, Kowloon Park Drive/Peking Road, and Austin Road/Canton Road). In addition, we are undertaking the detailed design of Route 10 (design fee: \$800 M) and Route 9 (design fee: \$730 M). We are also undertaking or will soon start the detailed design of Route 7 (design fee: \$66 M), Central and Wanchai Bypass (design fee: \$200 M), widening of Fanling Highway (design fee: \$28 M) and Yuen Long Highway (design fee: \$30 M).

10. These projects do not require immediate capital expenditure until at a stage when actual construction work starts. Our capital expenditure allocation in the coming year reflects this phenomenon. There is a slight drop of around 10% as compared with last year (from \$3.863 B in 1999 – 2000 to \$3.46 B in 2000 – 2001).

Improvement to Public Transport Services

11. Apart from developing our transport infrastructure, we will continue to make use of existing resources to enhance public transport services and traffic management. On public transport, we are under the banner of a rail-based strategy. We are also conducting a study on measures to achieve better integration of the new railways and other public transport modes in order to provide an easily accessible and comprehensive transport network. The study will be completed before the end of this year.

12. The rationalization of bus services and bus stops is another major initiative on this front. Having reviewed the passenger demand, we have already cancelled four bus routes in Central and Admiralty with relatively low patronage, and have adjusted the service frequency of some other routes. In the meantime, re-routing of over 20 bus routes has been effected to keep buses away from congested roads. Bus stops in Central, Admiralty and Wanchai have been re-organised which involved over 100 bus routes and resulted in a reduction of 1 900 bus-stopping activities in a peak hour. These measures have indeed improved the traffic conditions of some busy road sections.

13. For continued improvement to bus services and better use of road space, we plan to introduce eight bus-bus interchange schemes where concessionary fare will be offered to encourage passengers to change to other selected bus routes at the interchanges to reach their destinations. This will help reduce demand for new long-distance bus services. The interchanges will be located in Admiralty, Wanchai, Causeway Bay, Kwun Tong and the portals of some suitable tunnels. Such arrangements could help the bus operators keep down the level of

resources for long-distance and “point-to-point” bus routes, and enable more efficient deployment of the bus fleet to avoid bus congestion on the road.

Improvement in Traffic Management

14. On traffic management, we are conducting a number of studies on the application of advanced technology to enhance the management of the strategic road network and to provide a transport information and public transport services enquiry system. The studies on the development of a transport information system and electronic road pricing will be completed by the middle of the year and we will take necessary follow-up actions on the recommendations.

15. In order to promote road safety, we have completed the introduction of a number of legislative proposals into LegCo. Some more are in the pipeline. The legislation to tighten the control on drink-driving came into effect on 1 October 1999; bills and regulations to control the use of mobile phones in the course of driving, to combat serious over-speeding, to substitute reckless driving by dangerous driving and the issue of probationary driving license to inexperienced motorcyclists have been submitted to the Legislative Council at the end of last year and the beginning of this year. We are drafting regulations that require rear-seat taxi passengers to wear seat belts and proposals are expected to be submitted to the Legislative Council in the current legislative year.

16. On pedestrian facilities and the environment, we will designate pedestrianised zones in Causeway Bay, Tsim Sha Tsui and Mong Kok and the measures will be implemented in stages starting from the middle of the year. Moreover, we plan to build pedestrian walkway systems and the priority areas are in Tsuen Wan, Central, Admiralty and Wan Chai North. The above measures will separate pedestrians from vehicular traffic and will improve the environment for pedestrians and enhance road safety.

17. Finally, I wish to say a few words on the Mass Transit Railway Ordinance. With the enactment of the Ordinance by the Legislative Council on 24 February, we have made a big step forward on the privatization of MTRC. Our colleagues in the Finance Bureau will co-ordinate the preparatory work for the listing of MTRC in the coming months. As for the Transport Bureau and Transport Department, we will draw up a regulatory framework for the privatized Corporation. This is to ensure that the privatized Corporation will maintain its quality

passenger services and the same stringent safety standards.

18. Perhaps I will stop here. The Commissioner for Transport, the Director of Highways and myself are happy to answer your questions.

Transport Bureau
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