

Housing and Transport

Pushed Forward or Commenced the Construction of a Large Number of Transport Infrastructure Facilities in the Past Five Years

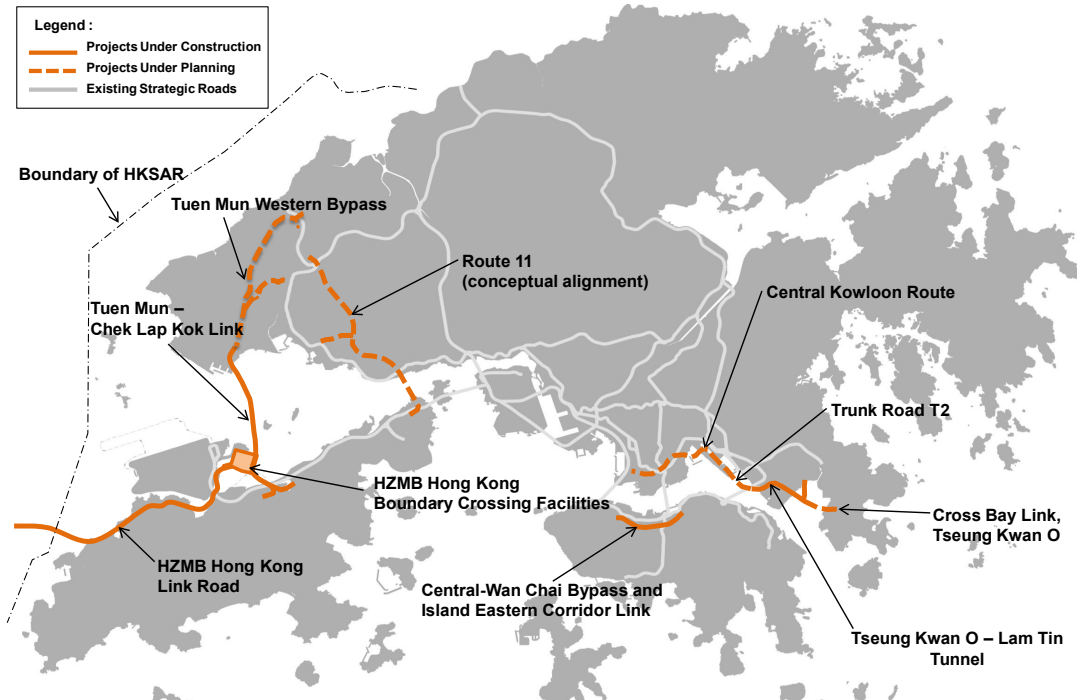
- For the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link, discussing with the MTR Corporation Limited (MTRCL) on the operational arrangements and with the Mainland authorities on the implementation of the “co-location of customs, immigration and quarantine clearance” at the West Kowloon Terminus, and striving to achieve commissioning in the third quarter of 2018.
- Striving for the commissioning of the “Tai Wai to Hung Hom Section” and the “Hung Hom to Admiralty Section” of the Shatin to Central Link in mid-2019 and 2021 respectively.
- Announced the Railway Development Strategy 2014 which recommended seven new railway projects, and invited the MTRCL to submit proposals for the implementation of the Northern Link (and Kwu Tung Station), Tuen Mun South Extension, East Kowloon Line and Tung Chung West Extension (and Tung Chung East Station).

Railway Projects mentioned in the Railway Development Strategy 2014



- Striving to achieve readiness for commissioning of the Hong Kong section of the Hong Kong-Zhuhai-Macao Bridge (HZMB), by the end of 2017.
- The nine km-long Tuen Mun-Chek Lap Kok Link (TM-CLKL) will provide a new strategic road connecting Northwest New Territories, North Lantau, the Hong Kong Boundary Crossing Facilities of HZMB and the Hong Kong International Airport (HKIA). It will also serve as an alternative road connecting HKIA and the urban areas.
- Aiming to achieve full commissioning of the Central-Wan Chai Bypass and Island Eastern Corridor Link in end 2018 or first quarter of 2019, after which it will only be a five-minute drive from Central to Island Eastern Corridor at North Point.

Major Transport Infrastructure Projects under Construction and Planning



- Commencing construction of Tseung Kwan O – Lam Tin Tunnel with targeted completion in 2021, to become an additional major road link between Tseung Kwan O and East Kowloon and relieve the traffic load of Tseung Kwan O and Tseung Kwan O Tunnel.
- Striving to commence construction of the Central Kowloon Route this year for completion in 2025, so that the journey time between West Kowloon and Kowloon Bay during rush hours will only take about five minutes.
- Preparing for investigation study and preliminary design of the Tuen Mun Western Bypass, with latest alignment connecting TM-CLKL and the Kong Sham Western Highway plus provision of a connection to Tsing Tin Road en route.
- Seeking funding approval from the LegCo to conduct the Feasibility Study on Route 11, which will tie in with the long-term development of Northwest New Territories including the Hung Shui Kiu New Development Area (HSK NDA) and Yuen Long South (YLS) Development, and provide a third strategic access to Lantau in addition to Tsing Ma Bridge and TM-CLKL.

- Seeking funding approval from the LegCo to conduct the Strategic Studies on Railways and Major Roads Beyond 2030, to formulate the preliminary layout of transport infrastructure required for the developments at Lantau, Northwest New Territories and North New Territories.

Public Transport

- Released the Public Transport Strategy Study (PTSS) report in June 2017, which examines the positioning of public transport services other than railway, aiming to enhance the existing strategic arrangements of our public transport services in tandem with the further development of the heavy rail network, and has also reviewed eight topical issues of wide concern. Some major policy recommendations are: (1) to increase the maximum seating capacity of public light buses to 19 seats; (2) to enhance personalised and point-to-point transport services to meet the needs of different passenger groups, including introducing a certain number of franchised taxis; (3) to enhance the carrying capacity of Light Rail through short, medium and long term measures, including purchasing new Light Rail Vehicles, rationalising some Light Rail routes to address the route-overlapping problem at busy junctions and improving the design of individual busy junctions, etc.; and (4) to pursue “Transport for all”, including the trial of low-floor light buses on three green minibus hospital routes, expected to commence in the second half of 2017.
- Announced in 2016 the provision of subsidies for franchised bus companies to expedite the installation of display panels for real-time bus arrival information and seats at bus stops. The target is to equip all suitable existing covered bus stops with display panels and/or seats by 2019-2020.
- Announced in 2017 the plan for upgrading existing covered public transport interchanges and ferry piers by improving their exterior design and enhancing their facilities.

- Announced in 2017 the provision of subsidies to the Hong Kong Tramways Limited to expedite the track replacement of key bends and junctions with the use of new technology, thereby reducing traffic impact arising from the works and making journeys more comfortable. The works for replacing about 2.4 kilometres of tracks are expected to be completed by 2020.
- The Government and MTRCL jointly conducted the first five-yearly review of the MTR Fare Adjustment Mechanism in 2013. On the Government's request, the second review was advanced by one year and completed in March 2017. Various measures were introduced after the two reviews to relieve passengers' fare burden.
- As at end-2016, section fares were available on some 70% (around 410 routes) of all franchised bus routes and there were over 390 bus-bus interchange concession schemes. From July 2017 onwards, the Kowloon Motor Bus will introduce various new fare concession initiatives and align the fares for short-haul trips on cross-district routes and shuttle bus routes.
- Continuing to provide Special Helping Measures to six major outlying island ferry routes, to relieve passengers' fare burden.
- MTRCL established the MTR Academy to train talents, thereby raising the quality of local and regional railway services, furthering local transport development, and seizing opportunities arising from railway operation and expansion among the Belt and Road countries.
- Adopted since 2013 the “Area Approach” for the rationalisation of franchised bus routes with a view to maximising overall benefits to the districts. Together with reorganisation items implemented under the annual Route Planning Programme, franchised bus operators cancelled or amalgamated a total of 31 routes with relatively low patronage between 2013 and 2016, and also truncated 14 routes and reduced the frequency of 279 routes. The daily volume of bus traffic along trunk roads in Mongkok, Central and Causeway Bay reduced by some 3 880 bus trips (around 12.9%), thereby alleviating congestion and reducing vehicle emissions.

- Adopting a multi-pronged approach in progressively taking forward the Transport Advisory Committee’s recommendations, including measures to control the growth of private car fleet size, made in its “Report on Study of Road Traffic Congestion in Hong Kong” conducted upon government invitation and submitted in 2014.
- Took over the Eastern Harbour Crossing as a Government tunnel in 2016, and preparing to take over the Tate’s Cairn Tunnel in July 2018.
- Commenced a study on the rationalisation of traffic distribution to alleviate traffic congestion among the three road harbour crossings and their connecting roads, and the three tunnels between Kowloon and Sha Tin in 2017, aiming to put forth toll adjustment proposals to the LegCo Panel on Transport within the 2017-18 legislative year.
- Conducted public engagement on the Electronic Road Pricing Pilot Scheme in Central and its Adjacent Areas from end 2015 to early 2016, and will commission a consultant for an in-depth feasibility study.
- Introduced into the LegCo in February 2017 legislative amendments to raise the fixed penalty charges for congestion-related traffic offences. The Police has also strengthened enforcement actions.
- To commence a parking review in 2017 with priority accorded to addressing the parking demand and supply of commercial vehicles.
- Launched the “Walk in HK” initiative in 2017 to enhance pedestrian networks, provide dedicated information and reduce the public’s reliance on motorised transport.
- Launched the new “Universal Accessibility” policy in 2012 to expand the programme to retrofit barrier-free access facilities at public walkways. As of end May 2017, 57 items were completed and the implementation of about 150 remaining items across 18 districts being pressed ahead. In addition, the 18 District Councils have been invited since December 2016 to further nominate not more than three existing walkways in each

district for implementation in the next phase of the programme.

- As of end June 2017, of the 18 ranked Hillside Escalator Links and Elevator Systems proposals, three are completed or partly completed, three are under construction and seven are at different stages of study and design.
- Completed ten pedestrian environment improvement measures in Yuen Long Town, such as widening of pedestrian crossings and footpaths and streetscape enhancement. For the proposed footbridge extending southward from West Rail Long Ping Station to Kau Yuk Road, detailed design is underway.
- Completed a consultancy study to improve the cycle track networks in new towns, and took forward the proposed improvement works (including provision of additional bicycle parking spaces and enhancement of safety at cycle tracks). Studying how to assist organisations to operate self-financing community bicycle rental services on a non-profit basis.

Maritime, Port and Logistics

- Established the Hong Kong Maritime and Port Board in 2016 to assist the Government in devising maritime and port-related strategies and initiatives to enhance Hong Kong's position as an international maritime centre. Additional resources allocated to strengthen overseas promotion work to attract renowned international maritime enterprises to set up in Hong Kong.
- Established the \$100-million Maritime and Aviation Training Fund in 2014 to encourage more young students and in-service practitioners to receive relevant technical training and undertake professional degree programmes for joining the maritime and aviation industries. As at March 2017, a total of \$26.47 million was approved under the Fund, benefiting over 3 000 students and in-service practitioners of the maritime and aviation sectors.
- Stepping up efforts in promoting Hong Kong's high value-added maritime services, including shipping agency and ship

management, ship broking, marine insurance, maritime law and arbitration, as well as ship finance. Organised 14 delegation visits to major maritime cities overseas and in the Mainland, including Athens, London, Hamburg, Qingdao, Shanghai and Ningbo, to encourage maritime enterprises to set up in Hong Kong and use our high value-added maritime services. In 2016, organised the first-ever Hong Kong Maritime Industry Week, which included the annual Asian Logistics and Maritime Conference, as a major maritime event in the region.

- On logistics, stepping up efforts in promoting Hong Kong as a preferred regional logistics hub.
- In 2014 and 2015, completed the “Study on the Strategic Development Plan for Hong Kong Port 2030” and a review of port back-up land in the vicinity of the Kwai Tsing Container Terminals (KTCTs) respectively, with a view to meeting the development needs of the port and logistics industries. Progressively taking forward improvement measures, including making available six port back-up sites totaling about 18 hectares for container terminal use in phases so as to expand terminal yard space and provide additional barge berths for enhancing cargo handling efficiency, as well as examining the feasibility of developing multi-storey port back-up facilities at suitable sites in the vicinity of KTCTs.
- Following the Lamma vessel collision incident, carried out a systemic reform of the Marine Department, improved the Department’s internal governance and manpower strategy, and enhanced marine safety through measures such as mandating by law the installation of equipment to ensure navigational safety in passenger vessels.

Aviation

- Commenced the construction of the Three-Runway System in 2016 at an estimated cost of \$141.5 billion. Works will take around eight years to complete.
- Discuss and implement optimisation measures for airspace

management in the PRD region with the Civil Aviation Administration of China and the Civil Aviation Authority of Macao SAR, with a view to progressively achieving the target runway capacity of 102 air traffic movements per hour in the long term under the Three-runway System operation at the HKIA. In 2016, an agreement on strengthening the collaboration and exchange mechanism was signed, to provide for regular meetings among the top management of the three sides and enhance cooperation on airspace management.

- Seven new Air Services Agreements¹ were signed in the past five years. Of the 67 Air Services Agreements² signed, 26 provide for unlimited capacity arrangements.
- The Airport Authority Hong Kong has established the Hong Kong International Aviation Academy to train local and regional air transport talents.

Housing

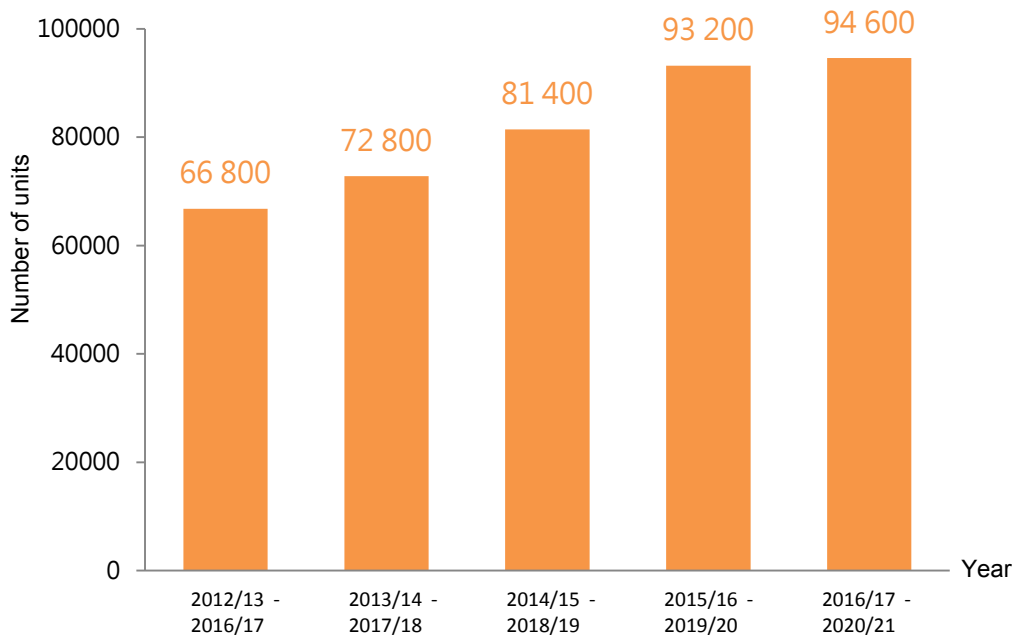
- Established the Long Term Housing Strategy (LTHS) Steering Committee in September 2012, which started public consultations in September 2013.
- Announced the LTHS in December 2014, which is the first long term strategic document on housing since 1998. The LTHS adopted the “supply-led” principle. Based on demand projection, presented a rolling ten-year housing supply target to serve as a planning guide for the Government.
- For the five-year period starting from 2016-17, the estimated total public housing production is about 94 600 units, including about 71 900 public rental housing (PRH) units and about 22 700 subsidised sale flats (SSFs). Such projected housing

¹ Seychelles, Madagascar, Barbados, Austria, Serbia, Malta and Spain.

² Including: Australia, Austria, Barbados, Bahrain, Bangladesh, Belgium, Brazil, Brunei, Cambodia, Canada, Croatia, the Czech Republic, Denmark, Estonia, Ethiopia, Fiji, Finland, France, Germany, Greece, Hungary, Iceland, India, Indonesia, Israel, Italy, Japan, Jordan, Kazakhstan, Kenya, Kuwait, Laos, Luxembourg, Madagascar, Maldives, Malta, Malaysia, Mauritius, Mexico, Mongolia, Myanmar, Nepal, the Netherlands, New Zealand, Norway, Pakistan, Papua New Guinea, the Philippines, the Republic of Korea, Oman, Qatar, Russia, Saudi Arabia, Serbia, Seychelles, Singapore, South Africa, Spain, Sri Lanka, Sweden, Switzerland, Thailand, Turkey, the United Arab Emirates, the UK, the USA and Vietnam.

production shows a steady increase as compared to the previous four five-year periods.

Projected total public housing production of the five-year period starting from 2016-17 as compared with the previous four five-year periods

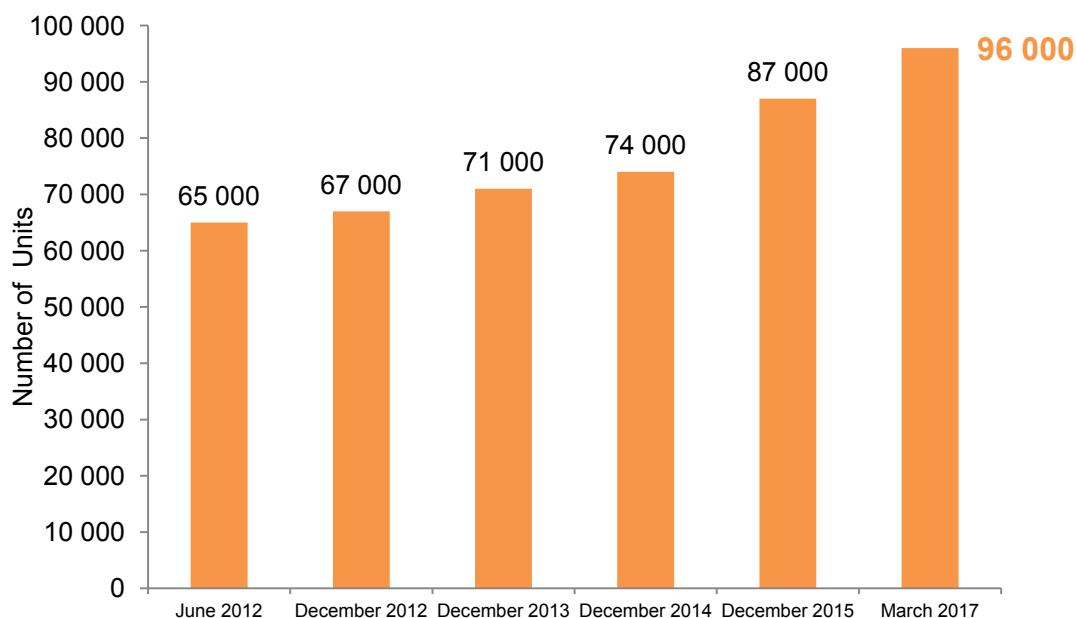


Note: The above comparison is based on the estimated public housing production as at March 2017.

- Compressing the planning and development programme. Without compromising site safety and construction quality, continuously enhancing the construction process by adopting prefabricated construction techniques to expedite the completion of public housing projects. Achievements are seen in the development programme on “spade-ready” sites.
- Increasing flat production of each public housing site through relaxation of development restrictions (e.g. plot ratio, building height) in an appropriate scale.
- With the continued rolling out of housing land, the medium-term supply of private housing has increased significantly. As at end-March 2017, the projected supply of first-hand residential properties for the coming three to four years is about 96 000

units, which is 48% higher than the figure at the beginning of the current-term Government, and also a record high since the first release of such quarterly statistics on supply in September 2004.

Projected supply of first-hand private residential properties for the coming three to four years



- Accords priority to local home ownership needs. Introduced several rounds of demand-side management measures including Buyer's Stamp Duty and the enhanced Special Stamp Duty, doubled ad valorem stamp duty and New Residential Stamp Duty. Effective in combating speculative activities, curbing external demand and reducing investment demand.
- Resumption of Home Ownership Scheme (HOS). The Hong Kong Housing Authority put up a total of 4 817 new HOS units for pre-sale in 2014 and 2016. In early 2017, the third batch of around 2 100 HOS flats was put up for pre-sale.
- The Hong Kong Housing Society also put up a total of 2 008 new SSFs for pre-sale in 2012 and 2016. By end-2017, a third batch of about 600 SSFs will be put for pre-sale.
- Launched two rounds of interim scheme in 2013 and 2015, with quotas of 5 000 and 2 500 respectively, to enable eligible White Form applicants to purchase SSFs in the Secondary Market

without payment of premium. Over 4 000 White Form applicants successfully purchased flats in the secondary market as a result.

- Launched the first Green Form Subsidised Home Ownership Pilot Scheme project in 2016 with flat prices set at a level lower than those of traditional HOS flats. All flats under the scheme were sold.
- Committed to supporting the Hong Kong Housing Authority financially by setting up the Housing Reserve in 2014. About \$77 billion has been set aside up to now.
- Fully implemented all enhancement measures recommended by the Hong Kong Housing Authority's Review Committee on Quality Assurance Issues Relating to Fresh Water Supply of Public Housing Estates after the "excess-lead-in-water" incident in 2015. The Commission of Inquiry into Excess Lead Found in Drinking Water supported the Hong Kong Housing Authority's enhancement measures.
- Examined ways to better utilise PRH resources from time to time in order to meet the increasing demand for PRH and to ensure that those with more pressing housing needs would be taken care of. The Hong Kong Housing Authority refined the Quota and Points System in 2014 to increase the chance for applicants aged 45 or above to be allocated with PRH. It also reviewed relevant policies from late 2016 to early 2017, including revising the "Well-off Tenants Policies", introducing a frozen period for general applicants currently living in PRH, and stepping up enforcement actions against tenancy abuse.