

**For discussion  
on 12 May 2015**

## **Legislative Council Panel on Transport**

### **The Government's Response to the Report on Study of Road Traffic Congestion in Hong Kong Submitted by the Transport Advisory Committee**

#### **PURPOSE**

This paper informs Members of the Government's response to the "Report on Study of Road Traffic Congestion in Hong Kong" ("the TAC Report") submitted to the Secretary for the Transport and Housing ("STH") by the Transport Advisory Committee ("TAC") in December 2014.

#### **BACKGROUND**

2. Road traffic conditions, especially in urban areas, have been deteriorating. In 2013<sup>1</sup>, the average car journey speed in urban areas was only about 23 km/h, and on some major traffic corridors (such as Des Voeux Road West and Chater Road) during weekday morning peak hours, the speed could be as low as 10 km/h. Such speed is not much faster than the average walking speed of an adult at 4 to 5 km/h.

3. Vehicle fleet size is a major factor contributing to road traffic congestion. The number of total licensed vehicles increased substantially over the years. Private cars ("PC"), which account for about 70% of all licensed vehicles, grew by 40% from 2003 to 2013, and this increase alone constituted about 87% of the total increase in vehicles. The total kilometres travelled by all vehicles, which is an indicator of vehicle usage, also recorded a 15% increase during the same period of time.

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<sup>1</sup> We have used the data as at the end of 2013 in this paper in order to be consistent with the data used in the TAC Report.

4. Owing to the social, physical and environmental constraints on constructing new roads, the average annual growth rate of the total length of public road was only 0.8% between 2003 and 2013, and is expected to further drop to around 0.4% up to 2020. The growth in public road obviously cannot catch up with the alarming growth rates of the vehicle fleet and vehicle usage. In any event, while building more roads will be useful, and sometimes necessary, in supporting new developments and alleviating traffic congestion, it may also induce additional traffic demand and fuel vehicular growth, as well as emission problem, in the absence of other measures.

5. Vehicle emission in long traffic queues in congested areas worsens roadside air quality. Air pollution not only threatens public health, but also affects the quality of life and undermine Hong Kong's attractiveness for overseas companies to set up offices in Hong Kong. The Government has adopted various measures to alleviate the impact of traffic congestion on air quality. For example, since March 2014, the Environmental Protection Department has been operating an incentive-cum-regulatory scheme<sup>2</sup> to progressively phase out some 82 000 pre-Euro IV diesel commercial vehicles before 2020. Bus route rationalisation has also been an on-going task of the Government to better utilise resources, enhance network efficiency, and improve service quality. Since 2013, the Government and franchised bus companies have pursued bus route rationalisation with greater vigour by using the Area Approach (i.e. to review bus routes holistically for a district as whole, rather than on a route-by-route basis). Routes with persistently low patronage would be rationalized such as through adjustment in frequency, truncation of routes, and cancellation or amalgamation of routes, etc. Resources so saved would be used to strengthen existing services with increased demand or introduce new services. Interchange concessions would also be provided as appropriate. With the continued efforts in the past two years, the volume of bus traffic en route major trunk roads in Central, Causeway Bay and Mong Kok was reduced by more than 2,000 trips. This should help alleviate traffic congestion and reduce roadside air pollution.

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<sup>2</sup> A sum of \$11.4 billion have been set aside as ex-gratia allowance to help the affected vehicle owners.

6. Deteriorating road traffic congestion is adversely affecting our economy, the environment as well as the quality of living of Hong Kong people. Tackling road congestion clearly requires a multi-pronged strategy from the Government with collective support from the community. Without the community's support, measures, especially those that may entail inconvenience and financial consequences might not be feasible. The Government is determined to develop a proactive strategy and work with members of the public and relevant stakeholders to step up the efforts to alleviate road traffic congestion.

## **TAC REPORT**

7. In March 2014, STH invited the TAC to conduct a study to identify various factors contributing to road traffic congestion in Hong Kong and to put forward practicable recommendations to the Government to tackle road traffic congestion. The TAC is the most important advisory body to the Government on land transport policy, comprising academics, and persons with different professional and trade background, and hence most well-placed to provide informed advice in this regard. The TAC submitted its report on 30 December 2014. The TAC Report can be downloaded from the TAC's webpage at [http://www.thb.gov.hk/eng/boards/transport/land/Full\\_Eng\\_C\\_cover.pdf](http://www.thb.gov.hk/eng/boards/transport/land/Full_Eng_C_cover.pdf).

8. In brief, the TAC recognises the Government's on-going efforts to tackle road traffic congestion following a three-pronged approach, namely improving transport infrastructure, expanding and improving the public transport ("PT") system, and managing road use. Nonetheless, it notes that the Government's pursuit of these on-going measures faces a number of challenges, including various constraints on building more roads, as well as diversified, and often conflicting, views from stakeholders on traffic management measures, etc. The TAC concludes there is a need for the Government to consider implementing additional measures as well as strengthening the existing ones. It has recommended in the TAC Report a total of twelve short, medium and long-term practicable measures at the territorial level to contain road traffic congestion. The additional measures are meant to complement and work in conjunction with on-going measures.

## **GOVERNMENT'S RESPONSE**

9. The Government would like to express its gratitude to the TAC for the invaluable advice and practicable recommendations rendered.

10. Having carefully studied the TAC Report, the Government considers that in principle the twelve recommendations made by the TAC, spanning the short, medium to long-term implementation timeframe, are effective means to alleviate road traffic congestion. The Government agrees that to effectively tackle the problem, it is necessary to implement a whole package of concerted measures, instead of relying on one or two single initiatives. Therefore, the Government is inclined to take forward the 12 TAC recommendations (with modifications and supplementary measures as appropriate) in phases, having regard to various factors including public sentiments and stakeholder views, the availability of resources, and the latest technology and overseas experience. A summary of the TAC recommendations and the Government's detailed preliminary response is at the **Annex**.

11. The Government is mindful that some of the proposed measures to ease road traffic congestion may entail financial consequences and a change of commuting habit for certain quarters of the community. To complement our effort to control road traffic congestion, the Government will continue to enhance and strengthen the PT system in terms of availability, priority, accessibility and dissemination of information, so that motorists would have more and better choices when they commute. We have already commenced the Public Transport Strategy Study to examine various aspects of our PT system.

12. To minimise the need for mechanised transport over short distance, the Government will continue to strengthen our on-going efforts to foster a pedestrian-friendly environment, and expand and improve pedestrian facilities, such as providing walkway, hillside escalators and elevator systems. In new towns and new development areas, we will continue to foster a "bicycle-friendly" environment by improving the cycle tracks and providing more bicycle parking facilities, etc.

13. In terms of road use, priority will be given to PT while also facilitating commercial traffic. The Government will continue with our on-going efforts to better manage the use of road through implementing traffic management measures and applying the latest information technology. Our ultimate objective is to maximise the efficient use of our limited road space.

## **CONCLUSION**

14. Improved road traffic conditions will benefit all road users. Tangible economic benefits would include savings in operating costs (such as fuel costs) for the logistics industry as less time is required to deliver goods and services. For intangible benefits, with shorter travelling time, everyone would have greater flexibility to plan their itineraries and undertake their personal activities. There will also be cleaner air. Indeed, mobility has increasingly become an important attribute in defining the living quality and competitiveness of a city. We appeal to all stakeholders and members of the public to join hands with the Government to tackle road traffic congestion for the long-term benefits of Hong Kong as a whole.

## **ADVICE SOUGHT**

15. Members are invited to comment on the Government's response to TAC recommendations to alleviate road traffic congestion.

**Transport and Housing Bureau**  
**May 2015**

**The Government’s response to the twelve recommendations made by  
the Transport Advisory Committee (“TAC”)**

Recommended measures	Government’s response
<b>I. Short and medium-term measures</b>	
<i>Managing the private car (“PC”) fleet size</i>	
<p><b>1. Raise PC’s first registration tax (“FRT”) and annual licence fee (“ALF”)</b></p> <p>Instead of restraining the growth of all vehicles, the TAC considers that a more targeted approach aiming at PCs should be adopted. The TAC opines that raising the FRT and ALF are direct and effective means to control the growth of PCs and hence alleviate road traffic congestion.</p>	<ul style="list-style-type: none"> <li>• The number of vehicles, in particular PCs, has been growing at an alarming rate. From 2003 to 2013, the total number of PCs increased by 40% and this increase alone constituted about 87% of the increase of all licensed vehicles. During the same period, the total annual vehicle-kilometres (“VKM”) travelled by PCs<sup>1</sup> also increased by 25%, and this increase alone accounted for 65% of the growth in total annual VKM travelled by all vehicles.</li> <li>• Owing to the social, physical and environmental constraints on constructing new roads, the prevailing growth rate of PCs is simply not sustainable and will further aggravate road traffic congestion.</li> <li>• We agree that it is necessary to contain PC growth in view of its being a major contributor to vehicle fleet</li> </ul>

<sup>1</sup> VKM travelled by PCs refers to the total kilometres travelled by all PCs, which is an indicator of PC usage.

Recommended measures	Government's response
	<p>growth and a less efficient passenger carrier compared to public transport ("PT").</p> <ul style="list-style-type: none"> <li>We also note that based on past experience, increases in FRT/ALF have been relatively effective in curbing PC growth. For example, in 1991, with an increase of FRT and ALF, the annual growth rate of PCs dropped by 1.7% (nine to twelve month after the increase). In 2011 when FRT alone was raised on ordinary petrol PCs, the growth rate of such PCs was reduced by 1.3% after nine to twelve month after the increase.</li> </ul>
<p><b>2. Tighten up standards for Environment-friendly Petrol Private Cars ("EFPPCs")</b></p> <p>The TAC opines that from a congestion control point of view, an EFPPC is no different from an ordinary petrol PC. Further, in environmental terms, EFPPCs still contribute to roadside air pollution as they are not with zero emissions. The TAC thus recommends the Government to continue to tighten up the qualifying standard for EFPPCs and avoid raising the FRT concession further.</p>	<ul style="list-style-type: none"> <li>To improve roadside air quality, the Government has offered since 2007 FRT concession for newly registered EFPPCs to encourage vehicle buyers to choose petrol private cars with outstanding emissions performance and high fuel efficiency. The Environmental Protection Department ("EPD") has been reviewing annually the qualifying standards for the FRT concession with a view to restricting the concession to vehicles of outstanding environmental performance.</li> </ul>

Recommended measures	Government's response
	<ul style="list-style-type: none"> <li>We agree with the TAC that in terms of road usage, an EFPPC is no different from a petrol car. Indeed, the EPD already terminated the tax incentive scheme for EFPPC on 1 April 2015 on grounds that the emission control technology of petrol private cars has advanced to such a mature stage that further emission reduction is limited.</li> </ul>
<p><b>3. Raise “fuel levy” for diesel PCs</b></p> <p>The TAC notes that diesel is currently tax free while the fuel tax for petrol is set at \$6.06/litre. The policy of zero tax for diesel is mainly to facilitate commercial vehicle trade and encourage them to use cleaner fuel. Noting that diesel PCs would inadvertently benefit from such a fuel tax arrangement, there is an additional “fuel levy” payable by owners of diesel PCs when they renew vehicle licence on an annual basis.</p> <p>The TAC is mindful that any proposed increase in ALF will be offset by recurrent fuel cost savings if motorists opt to use diesel PCs, thus diluting, if not nullifying, the desired effect to manage PC growth. As such, the</p>	<ul style="list-style-type: none"> <li>While the total number of diesel PCs remains small, it has grown substantially in recent years. The number of licensed diesel PCs registered a 68% growth, from 2 260 in end 2013 to 3 796, in end 2014.</li> <li>We share the TAC’s observation that if the “fuel levy” (currently stands at \$1,460) is not adjusted in tandem with any proposed increase in ALF, motorists could offset the increase in ALF with savings in fuel costs if they opt to use diesel PCs.</li> </ul>



<b>Recommended measures</b>	<b>Government's response</b>
<p>TAC recommends that the diesel levy should be revised upwards accordingly to reflect the possible fuel cost savings.</p>	
<p><b>4. Start planning for a congestion charging pilot scheme</b></p> <p>The TAC considers that a very effective way to tackle congestion in a particularly congested area is to put in place a congestion charging scheme. As the implementation of such a scheme is not straightforward, sufficient time must be allowed for the Government to fully engage the public before the launch of any scheme.</p> <p>As such, the TAC suggests the Government to engage the public as soon as possible for the planning of a congestion charging scheme, recognising that it would take longer time to conduct detailed planning for the implementation of the scheme.</p>	<ul style="list-style-type: none"> <li>• Electronic Road Pricing (“ERP”) scheme is a traffic management tool to reduce congestion at a designated congested area by adopting the “user pays principle”. This tool is well-tested in a number of overseas cities, including Singapore, London, Stockholm and Gothenburg. The Government believes that this tool will also be effective in tackling the serious congestion in some areas in Hong Kong.</li> <li>• Since the community at large is not familiar with the concept of ERP, its practical operation and the implications of implementing ERP, the Government will conduct a public engagement exercise to explain these issues in greater detail and to listen to public views on the implementation of such a scheme in Hong Kong.</li> </ul>
<p><b>5. Increase metered parking charges</b></p> <p>The TAC notes that metered parking is more convenient</p>	<ul style="list-style-type: none"> <li>• We agree that increasing metered parking charges can discourage motorists from circulating or double parking on roads waiting for metered parking spaces.</li> </ul>

<b>Recommended measures</b>	<b>Government's response</b>
<p>and in most cases much cheaper than nearby commercial car parks, and considers that there is a case to raise on-street metered parking charges, in order to discourage motorists from circulating/ double parking on roads waiting for metered parking spaces.</p>	<ul style="list-style-type: none"> <li>• Noting that the statutory ceiling for metered parking fee (currently \$2 per 15 minutes) has not been increased since 1994, we agree that there is a case to consider increasing it having regard to a number of factors including the change in the composite consumer price index, fees of nearby commercial car parks and public affordability.</li> </ul>
<b><i>Stringent penalty and enforcement of traffic offences</i></b>	
<p><b>6. Enhance publicity and education efforts to promote compliance with traffic rules and regulations</b></p> <p>The TAC considers that a more fundamental way to bring about law-abiding behaviour of road users is through continuous education and publicity. Although the effects may not be immediate, the TAC trusts that education and publicity efforts would bring a lasting impact.</p>	<ul style="list-style-type: none"> <li>• The Government will step up publicity and education efforts accordingly.</li> <li>• We will promote two key messages as suggested by TAC – <ul style="list-style-type: none"> <li>(a) <i>Joint effort</i>: it takes everyone to work together in tackling congestion; and</li> <li>(b) <i>Change of habit is for a worthwhile cause</i>: some of the measures to ease congestion may compel some car owners to give up driving or to change their driving behaviour, but it is for the benefits of the</li> </ul> </li> </ul>

Recommended measures	Government's response
	whole community.
<p><b>7. Raise the fixed penalty charges for congestion related offences to restore the deterrent effect</b></p> <p>The TAC notes that the deterrent effect of the fixed penalty charges, which was last increased in 1994, has been eroded over the last 20 years due to inflation and increase in income level. As such, it recommends raising these charges.</p>	<ul style="list-style-type: none"> <li>Although the number of fixed penalty tickets issued has increased by over 98% over the past decade, illegal parking was still rampant, which suggests that the current penalty level may not be adequate.</li> <li>We note that the composite consumer price index from 1994 to 2013 has increased by about 40%. We will suitably take this into account when considering the way forward regarding the level of fixed penalty charges.</li> </ul>
<p><b>8. Adopt a stricter approach and deploy more resources to enforce congestion-related offences by the Police</b></p> <p>The TAC urges the Police to consider how enforcement could be further strengthened. In some particularly congested areas, the Police should take enforcement action which has greater deterrent effect. The TAC also considers that the possibility of expanding the establishment of the traffic wardens should also be</p>	<ul style="list-style-type: none"> <li>The Police acknowledge the recommendations made by the TAC. Whilst police duties will continue to prioritise offences that impact road safety, they will seek to increase monitoring the particularly congested areas under the latest Selective Traffic Enforcement Policy (“STEP”)<sup>2</sup>.</li> <li>To overcome the premature wastage suffered within the Traffic Warden Corps, the Police will enhance the</li> </ul>

<sup>2</sup> STEP sets priorities for traffic enforcement, which is updated and audited on a regular basis. The primary aim is to enhance road safety through prevention of traffic accidents and maintenance of smooth traffic flow.

Recommended measures	Government's response
<p>explored.</p>	<p>recruitment process and the Corps' morale, such as setting clear guidelines on how to deal with abusive behaviour and improved uniforms. The establishment of the Corps is also being reviewed.</p>
<p><b>9. Make further use of information technology ("IT") in enforcement</b></p> <p>The TAC recognises that there is a limit on how much additional manpower resources the Police can allocate to tackle road traffic congestion, and so the use of IT would be helpful. For example, the TAC recommends that the Government could engage the IT sector or tertiary institutions to explore and develop relevant enforcement systems.</p>	<ul style="list-style-type: none"> <li>The Police support the increased use of IT proposed by the TAC and have been actively promoting its use in Hong Kong. The Police will continue to work closely with the Transport and Housing Bureau to optimize the use of the latest IT systems available.</li> </ul>
<p><b>10. Review parking policy and disseminate real-time information on parking vacancies</b></p> <p>The TAC opines that it is most important to strike a balance in the provision of parking facilities. The TAC recommends the Government to conduct a detailed review of the parking policy, in which various stakeholders and the general public should be fully engaged.</p>	<ul style="list-style-type: none"> <li>We note that parking spaces are essential to those who need to drive, as well as to the operation of commercial transport operators. The Government's policy on parking is to provide parking spaces at an appropriate level which will not unduly attract potential passengers to opt for PCs in lieu of PT, leading to the growth of PCs and aggravating road traffic congestion.</li> <li>We agree that there is a need to review the long-term parking policy, in which various stakeholders will be</li> </ul>

Recommended measures	Government's response
<p>To reduce the need for motorists to circulate on roads looking for available parking spaces and causing more congestion, the TAC considers that the Government should examine how to provide motorists with real-time information on the vacancies in off-street car parks in nearby areas.</p>	<p>engaged. In the meantime, we will continue to enhance and strengthen the PT services to provide attractive alternatives for motorists to commute.</p> <ul style="list-style-type: none"> <li>• TD will continue to explore the possibility of securing the support from operators of commercial car parks to disseminate information on real-time vacancies.</li> </ul>
<p><b>11. Encourage on-street loading and unloading outside peak hours</b></p> <p>The TAC notes that some overseas cities like Sydney and London encourage loading and servicing to take place outside peak hours. This can help ease congestion in the central business district. Therefore, the TAC recommends the Government to examine how to encourage and facilitate local businesses to carry out more on-street loading and unloading outside peak hours.</p>	<ul style="list-style-type: none"> <li>• This initiative will help minimise the impact of the loading/ unloading activities on road traffic, which will in turn bring about cost savings and efficiency in goods delivery for shop operators. We will include in the publicity and education campaigns the message to encourage on-street loading and unloading outside peak hours.</li> <li>• In devising an ERP pilot scheme, we could consider setting differential charges for peak and non-peak hours for goods vehicles and hence providing an incentive for operators to switch to off-peak delivery within a charging zone. Indeed, this is being practised under the London congestion charging scheme<sup>3</sup>.</li> </ul>

<sup>3</sup> All motorists need to pay a flat rate ranging from GBP 10.50 to 14 (about HKD 135 to 180) per day for driving a vehicle within the congestion charging zone between 7:00 a.m. and 6:00 p.m., Monday to Friday. Companies can avoid conducting loading and unloading activities during these hours to reduce cost.

Recommended measures	Government's response
<p><b>12. Provide more park-and-ride facilities</b></p> <p>The TAC notes that park-and-ride car parks allow motorists to drop off their cars at transport hubs to switch to PT, thus reducing the amount of traffic going into the central business districts and can help ease congestion.</p> <p>The TAC also recommends providing park-and-ride facilities in new towns and new development areas to facilitate cyclists to use PT.</p>	<ul style="list-style-type: none"> <li>• The Government will explore the possibility of putting in place more park-and-ride facilities in its future railway projects, as well as urban redevelopment and new development projects.</li> <li>• We have also requested the MTR Corporation Limited (“MTRCL”) to examine the feasibility of promoting wider use of its existing park-and-ride facilities<sup>4</sup> and providing more park-and-ride facilities with parking fee concessions at car parks near MTR stations. MTRCL will also examine the feasibility of providing more bicycle parking facilities in the vicinity of MTR stations for cyclists.</li> </ul>

**Transport and Housing Bureau**  
**May 2015**

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<sup>4</sup> There are currently 11 park-and-ride car parks located at or near MTR stations, seven of them, at or near Hong Kong Station, Kowloon Station, Tsing Yi Station, Choi Hung Station, Kam Sheung Road Station, Hung Hom Station and Sheung Shui Station, are either managed by TD or the MTRCL, whilst the remaining four, namely at or near Olympic Station, Hang Hau Station, Wu Kai Sha Station and Tuen Mun Station, are managed by private companies.