

Legislative Council Panel on Transport

2019 Policy Address

Transport-related Policy Initiatives of the Transport and Housing Bureau

Introduction

The 2019 Policy Address and Policy Address Supplement set out the Government's initiatives in the coming year. This paper elaborates on policy initiatives relevant to land and waterborne transport.

New Initiatives in 2019

(a) Developing Transport Infrastructure

2. We will strive to put into operation Tuen Ma Line Phase 1 in the first quarter of 2020 and complete the remaining works of the Shatin to Central Link ("SCL") project by 2021 for the full commissioning of the Tai Wai to Hung Hom Section and Hung Hom to Admiralty Section of SCL.

3. We will expedite the implementation of projects proposed in the Railway Development Strategy 2014. Taking into account the pressing need of respective new railway projects and the land development potentials that may be brought about, we are going to request the MTR Corporation Limited ("MTRCL") to commence detailed planning and design for the Tuen Mun South Extension, Northern Link (and Kwu Tung Station) and Tung Chung Line Extension (i.e. Tung Chung West Extension and Tung Chung East Station) in the coming year, so that work on these three railway projects can commence as early as possible.

4. Railway safety is of utmost importance. Railway projects also involve considerable capital investment. We will examine the feasibility of establishing a new department specifically tasked to handle and supervise railway planning and delivery matters. Our target is to

implement in tandem the recommendations in our review and the projects proposed in the Railway Development Strategy 2014. Moreover, MTRCL will strengthen its corporate governance and enhance services.

(b) Improving Public Transport Services

5. We will continue to provide Special Helping Measures to the six outlying island ferry routes, and extend the measures to eight other outlying island ferry routes. Annual expenditure for subsidising these 14 ferry routes is about \$260 million. We will also launch a new Vessel Subsidy Scheme to replace the fleets of 11 ferry routes and introduce greener vessels (involving some 47 new vessels including hybrid ones). The scheme will be carried out in two phases within a period of around ten years from 2021 onwards. The objectives are to enhance service quality and promote the development of a green city. We will consult the Panel and stakeholders on the above proposals as soon as possible.

Enhance Taxi Service Quality

6. To further enhance the existing taxi service quality, we would continue to strengthen our collaboration with the taxi trade, including through the Committee of Taxi Quality Service, to discuss and promote various measures in order to keep improving the existing taxi service quality and the business operating environment of the taxi trade.

7. Meanwhile, we have earlier consulted this Panel on the proposal of increasing the penalty level on taxi driver-related offences, in particular to enhance the deterrent effect on repeat offenders. The proposal includes introducing a two-tier penalty system for offences of a more serious nature (including overcharging, refusal to hire, not using the most direct practicable route, soliciting, and defacing, damaging, or altering taximeters), in which repeat offenders would have to face a higher maximum fine and imprisonment of a longer term; and introducing a Taxi Driver-Offence Points System, such that when a taxi driver commits a taxi driver-related offence, in addition to being convicted of the relevant offence by the court, such driver would incur relevant offence points. A taxi

driver would be disqualified from driving a taxi for a certain period of time when his/her offence points are accumulated to a particular level. We are currently drafting the relevant bill and would submit the legislative proposal to the Legislative Council (“LegCo”) as soon as possible.

Enhancement of Public Transport Fare Subsidy Scheme

8. The Government implemented the non-means-tested Public Transport Fare Subsidy Scheme (“the Scheme”) on 1 January 2019, so as to relieve the fare burden of commuters whose public transport expenses are relatively high. Under the Scheme, commuters with public transport expenses exceeding \$400 are eligible for the public transport fare subsidy. The Government provides subsidy amounting to 25% of the actual public transport expenses in excess of \$400, subject to a maximum of \$300 per month. The Scheme is well received by the public, benefitting over 2.2 million commuters per month on average.

9. Apart from the rising fuel costs in recent years, public transport operators have to set aside more resources to provide and maintain reasonably respectable remuneration package to their frontline staff and to attract new blood to the trade. Meanwhile, operators have to invest more in enhancing operational safety. All these have contributed to the rise in the operating costs of public transport services, putting various degrees of fare increase pressure on many public transport operators. To further alleviate commuters’ fare burden arising from increasing public transport expenses, we propose to increase the subsidy rate of the Scheme from one-fourth to one-third of the monthly public transport expenses in excess of \$400, as well as raising the subsidy cap from the existing level of \$300 to \$400 per month. The proposal will involve an additional annual subsidy amount of around \$800 million. In other words, the annual subsidy amount will increase from around \$2.3 billion to around \$3.1 billion. We propose to implement the enhanced Scheme on 1 January 2020. Commuters could collect the enhanced subsidy from mid-February 2020 onwards.

10. In addition, the Government will commence a review on the Scheme

in early 2020 to study its long term arrangement and impact on the overall strategic arrangement of public transport services, as well as its financial implications having regard to actual data. The review direction will include public transport services coverage of the Scheme, designated transport tickets registration and subsidy collection arrangement, and impact on commuters' travelling patterns etc. With the emergence of different electronic payment systems, we will substantially explore the feasibility of the participation of these systems in the Scheme. The review is expected to complete in the fourth quarter of 2020.

(c) Enhancing Efficiency of Road Space

11. Given the limited road space in Hong Kong, it is necessary to put in place traffic management measures as appropriate, including setting tolls for tunnels, with a view to ensuring a smooth flow of traffic and facilitating the movement of commuters. Meanwhile, where traffic conditions permit, we will seek to reduce the cost of using government tolled tunnels and Control Areas incurred by the public, public transport operators and transport trades. The successive commissioning of the Tuen Mun – Chek Lap Kok Link (“TM–CLKL”) Subsea Tunnel and the Tseung Kwan O – Lam Tin Tunnel (“TKO–LTT”) in the coming two years will enable the diversion of traffic to and from Lantau Island and Tseung Kwan O respectively, thus creating an opportunity for waiving the relevant tunnel tolls. We suggest waiving the tolls of the new TM–CLKL Subsea Tunnel and the Lantau Link upon the commissioning of the TM–CLKL Subsea Tunnel scheduled for the end of 2020 and, similarly, waiving the tolls of the new TKO–LTT and the Tseung Kwan O Tunnel upon the commissioning of the TKO–LTT scheduled for the end of 2021. Setting aside the originally expected toll revenue from the two new tunnels, the Government estimates that the revenue forgone will be around \$750 million per annum, benefitting about 70 million vehicle trips.

12. On the legislative front, we plan to table at LegCo relevant legislative amendments within the current legislative session for waiving the tolls of the Lantau Link and the Tseung Kwan O Tunnel stipulated in the Tsing Ma Control Area (Tolls, Fees and Charges) Regulation (Cap. 498A) and the

Road Tunnels (Government) Regulations (Cap. 368A) respectively, as well as putting the TM-CLKL Subsea Tunnel and the TKO-LTT under the regulatory regime of the Road Tunnels (Government) Ordinance (Cap. 368) in accordance with the established practice.

13. Further, we will continue to pursue a multi-pronged strategy for enhancing efficiency of road space, including -

- (a) taking forward the study on “congestion charging” to examine the adoption of different toll levels during different time periods having regard to the degree of traffic congestion of other government tolled tunnels (including the Western Harbour Crossing and Tai Lam Tunnel to be taken over by the Government) and the Tsing Sha Control Area, with a view to changing the commuting patterns of users of the tunnels and Control Area. To this end, the Transport Department (“TD”) has embarked on relevant work and expects to consult stakeholders on the recommended toll plans and toll adjustment mechanism in 2021;
- (b) taking forward the Electronic Road Pricing (“ERP”) Pilot Scheme in Central. Taking into account views from different stakeholders and with reference to the latest traffic data, overseas experience and outcomes of previous studies on ERP, TD will formulate a concrete implementation plan to serve as the basis for thorough discussions amongst relevant stakeholders;
- (c) issuing in-vehicle units to vehicle owners with a view to implementing Free-Flow Tolling System at all government tolled tunnels and Tsing Sha Control Area by phases;
- (d) actively exploring the incorporation of public car parks in about 20 works projects, following the principle of “single site, multiple uses”, to provide a total of about 5 100 parking spaces by batches. In light of the findings of the consultancy study on parking for commercial vehicles, we will also formulate short-term, medium-term and long-term measures to address the anticipated

parking demand, including reviewing the parking standards under the Hong Kong Planning Standards and Guidelines; and

- (e) progressively installing a new generation of parking meters starting from the first half of 2020, which support payment of parking fees through multiple payment means (including remote payment through mobile application) and provide real-time parking vacancy information of on-street parking spaces. The Government is drawing up draft legislative amendments for the proposed operational arrangements and new functions of the new parking meter system. We plan to introduce the relevant Bill into LegCo within 2019.

(d) Smart Mobility

14. To actively promote “Smart Mobility”, we will prepare for the setting up of a Smart Traffic Fund which is dedicated for the transport arena. We plan to inject \$1 billion into the Fund to provide funding support to enterprises or organisations for conducting research on and applying vehicle-related innovation and technology, thereby enhancing convenience and efficiency of motorists as well as improving their driving safety, etc. In order that the Fund could achieve its intended purposes and could cater for the actual needs of the industry, the Government will invite representatives from relevant professions and stakeholders to form a Task Force for advising the Government on the proposed scope and modus operandi of the Fund. Subject to the Task Force’s recommendations, we will then work out the operational details of the Fund. Taking into consideration other relevant preparatory work, our target is to strive to launch the Fund officially in 2020-21.

15. In light of the development trend of autonomous vehicle technology in recent years, we will consider legislative amendments to stipulate the conditions and supporting measures required for trials of autonomous vehicles so as to foster a suitable and safe road environment for such trials and promote the development and application of autonomous vehicles. TD will actively work with the industry as well as research and

development institutions involved in automated driving systems to examine the feasibility of conducting joint trials of new autonomous vehicles and related technology on public roads.

16. In addition, to enhance traffic management and transport efficiency through better use of technology, as well as to complement the launch of the Government's "Big Data Analytics Platform" in the third quarter of 2020, the Office of the Government Chief Information Officer and TD will develop a new "Traffic Data Analytics System". The system will analyse all kinds of real-time traffic and transport data (including traffic volume, average vehicular speed and real-time data of public transport and transport facilities operators) for more accurate assessment of traffic conditions and provision of real-time suggestions, enabling TD to take appropriate actions in the traffic incident management and information dissemination aspects. The development of the relevant system will complete in end 2021. Relevant information will be progressively disseminated through TD's "HKeMobility" mobile application and in machine-readable formats through the Public Sector Information Portal from the second half of 2022 onwards.

(e) Pedestrian-friendly Environment

17. The Government has been striving to create a barrier-free and accessible environment. With a view to providing more barrier-free access facilities for convenient access to walkways by pedestrians, following a review, the Government decided to expand the ambit of the Universal Accessibility Programme. A "Special Scheme" will be launched to retrofit lifts at walkways in estates under the Tenants Purchase Scheme and the Buy or Rent Option Scheme, and public rental estates with properties divested. The Highways Department ("HyD"), together with the departments concerned, will draw up detailed arrangements for the "Special Scheme" in the coming months, and will consult the District Councils on lift retrofitting projects and their prioritisation in the first half of 2020.

18. For hillside escalator links and elevator systems ("HEL"), TD has

commissioned a consultancy study to review and revise its assessment mechanism. On the basis of the revised mechanism, TD will examine the over 110 new HEL proposals received in the past few years, conduct preliminary technical assessments and draw up preliminary alignments with a view to conducting local consultations.

19. As part of our on-going effort to take forward the “Walk in HK” initiative, TD will provide covers for walkways connecting to public hospitals as well as those eligible new and existing walkways progressively based on the relaxed criteria stipulated in the Transport Planning and Design Manual; and will invite District Councils to each nominate a suitable walkway on which cover is to be provided, so as to foster a pedestrian-friendly environment.

(f) Abolition of Embarkation Fee for Cross-boundary Ferry Passengers

20. Cross-boundary ferry services are part of the cross-boundary transport services. The Government proposes to abolish the embarkation fee for cross-boundary ferry passengers, currently set at \$11 per passenger, with a view to facilitating the people and logistics flow within the Greater Bay Area. Cross-boundary ferry operators have indicated that they would fully reflect the reduction of embarkation fee in ticket fares and hold such reduced fares for at least one year. The Government will commence amending the relevant subsidiary legislation accordingly.

On-going Initiatives in 2019

(a) Developing Transport Infrastructure

Route 11

21. The feasibility study on Route 11 commenced in May 2018 for completion in 2020.

Route 6 and Cross Bay Link, Tseung Kwan O

22. Route 6 forms an integral part of the strategic road network of Hong Kong. The main tunnel of the TKO-LTT, as its eastern section, commenced construction in the third quarter of 2016 for completion in 2021; the Central Kowloon Route, forming its western section, also commenced construction in December 2017 for completion in 2025. If we could soon obtain funding approval for the Trunk Road T2 and Cha Kwo Ling Tunnel, which form the middle section of Route 6, for commencement of construction in end-2019, the entire Route 6 is expected to be commissioned in around 2026. By then, the journey time in peak hours between Tseung Kwan O Town Centre and Yau Ma Tei Interchange along the Route 6 will be substantially reduced from about 65 minutes now to about 12 minutes. Besides, construction for the Cross Bay Link, Tseung Kwan O, which will link up with the east of the Route 6, commenced in June 2018 for completion in 2022.

Hong Kong-Zhuhai-Macao Bridge and Tuen Mun-Chek Lap Kok Link

23. The Hong Kong-Zhuhai-Macao Bridge (“HZMB”), unprecedentedly taken forward jointly by the Guangdong, Hong Kong and Macao Governments, commenced operation on 24 October 2018. Linking Hong Kong with Zhuhai and Macao, it significantly reduces the travelling time between Hong Kong and the Western Pearl River Delta. The operation of the HZMB has been generally smooth since its commissioning. The three governments will continue to increase the number of quota for cross-boundary vehicles in an orderly manner, with a view to better utilising the HZMB and promoting exchanges amongst the three places. The TM-CLKL Southern connection, which connects the HZMB with Tung Chung and the North Lantau Highway, was commissioned in stages in October and November 2018. As for the TM-CLKL Northern Connection, its works progress is on schedule. Based on the current situation, works are anticipated to be completed in end 2020 at the earliest.

Central - Wan Chai Bypass and Island Eastern Corridor Link (“CWB”)

24. Fully commissioned on 24 February this year, the CWB has largely improved the traffic condition of the northern side of Hong Kong Island. Having considered the suggestion of the public and the Central and Western District Council that the eastbound down ramp of Rumsey Street Flyover should be retained, the Government has conducted traffic impact assessments and other studies and concluded that the suggestion is technically feasible and could improve the traffic condition in the vicinity. The proposed works are under gazettal. HyD will proceed with the subsequent work as soon as possible upon completion of the relevant procedures.

(b) Improving Public Transport Services

Further Enhancing the Operating Safety of Franchised Buses

25. The Government has always attached great importance to the operating safety of franchised bus service, and has set aside \$500 million to subsidise franchised bus operators for retrofitting Electronic Stability Control (“ESC”), speed limiting retarder and seat belts on seats in the upper deck of suitable existing buses. The related cost/benefit analysis has been completed. TD is discussing and preparing for the retrofitting work with the franchised bus operators and bus manufacturers. Under the subsidy scheme, the Government will subsidise the franchised bus operators 80% of the relevant costs. The remaining costs and maintenance in future will be borne by the franchised bus operators. The subsidy scheme is expected to be officially rolled out in end-2019 or early 2020.

26. At the same time, all new double-deck buses procured by franchised bus operators from July 2018 will be equipped with ESC and speed limiting retarder. All passenger seats of these newly procured buses will also be installed with seat belts with a view to further enhancing the safety and reliability of franchised bus service in Hong Kong.

Relieving the Fare Increase Pressure of Franchised Buses

27. In order to relieve the fare increase pressure of franchised buses, the Government has amended the legislation to exempt franchised bus operators from paying the toll of seven government tunnels and two government roads from 17 February 2019. Franchised bus operators shall keep the toll saved in its respective dedicated fund account set up under the initiative with a view to lowering the magnitude of future fare increase to be shouldered by passengers. In fact, the mitigating effect has already lowered the earlier approved rate of fare increase of Citybus (Franchise 1) and New World First Bus by about 2.9% and 4.3% respectively. The Government is also processing the fare increase applications by KMB and Long Win. If the applications were approved, the magnitude of fare increase to be shouldered by passengers would be lowered after taking into account the mitigating effect brought by the fund.

Ongoing Initiatives for Enhancing Public Transport Services and Ancillary Facilities

28. The Government has been pursuing a public transport-oriented policy. At present, about 90% of commuters use public transport services with some 12 million passenger trips daily. We will continue to strive to enhance the level of public transport services and provide more comprehensive ancillary facilities that keep with the time to create a more convenient and comfortable passenger waiting environment.

29. On enhancing franchised bus service, TD will continue to make use of established mechanisms to pursue rationalisation of bus routes and adjust their services having regard to the changes in passenger demand, thereby reducing unnecessary bus trips, alleviating traffic congestion on busy trunk roads and reducing roadside air pollution. Franchised bus companies may redeploy the resources so saved to introduce routes or increase frequencies which can meet passengers' demands with a view to enhancing the efficiency of our franchised bus network. Meanwhile, a franchised bus company is rolling out new franchised bus services, including new long-haul bus service. The first batch of buses for the new service have arrived Hong Kong. Upon the completion of the relevant inspections, vehicle registration and installation of equipment in the bus compartments,

the pilot service is expected to be launched by phases in end-2019.

30. In addition, the Government proposed earlier to introduce franchised taxi service under a trial scheme to meet the new demand in the community for personalised and point-to-point public transport service of higher quality and fare as well as with online hailing features. The Government introduced the Franchised Taxi Services Bill into LegCo on 8 May 2019.

31. The Government will continue to prepare for re-commissioning the “Central-Hung Hom” ferry route and launching a pilot “water taxi” service plying Kai Tak, Hung Hom, Tsim Sha Tsui East, West Kowloon and Central. We plan to carry out a tender exercise for the two services in December 2019, with a view to commencing the service of the “Central – Hung Hom” route and “water taxi” in the first half and second half of 2020 the earliest, respectively. We will also consider ways to enhance the Hung Hom (South) Pier through injecting commercial elements, with a view to enhancing vibrancy of the Hung Hom harbourfront.

32. For light buses, to align with the Government’s policy goal in promoting barrier-free and green transport, the Government proposes to relax the statutory length restriction on light buses to 7.5 metres, so as to facilitate the introduction of light buses with more environmental benefits and barrier-free facilities by the trade. Meanwhile, TD would in tandem consider the need for amending other limitations imposed on the vehicle structure of light buses, so as to ensure that the existing roads and traffic facilities can suitably accommodate light buses with vehicle length of 7.5 metres. The Government is now preparing for the relevant legislative work with a view to submitting the legislative amendment proposal to LegCo as soon as possible. Before the passage of the legislative amendments by LegCo, the Commissioner for Transport shall continue to consider individual applications for vehicle type approval of specific light bus models and exercise her discretion to grant exemptions to light buses which are more environmentally-friendly and/or with barrier-free facilities from complying with the statutory length restriction.

33. Furthermore, the Government will continue to promote the low-floor

wheelchair-accessible light bus trial scheme. Such low-floor wheelchair-accessible public light buses (“PLBs”) have been put into service to run two hospital routes (i.e. routes via Queen Mary Hospital and Prince of Wales Hospital). The third low-floor PLB is now undergoing modification works so as to comply with the relevant legal requirements. Upon completion of the relevant modification works, the PLB concerned is expected to be put into service for a route serving one of the hospitals in Kowloon. TD will review the effectiveness of the trial scheme in tandem with its regular survey on the market occupancy rate of light buses, which has been launched in the fourth quarter of 2018 and is expected to be completed in 2019-20. If the trial scheme is proven feasible and desirable, the Government would discuss with the trade on further promoting low-floor light buses.

34. The Government will continue to implement the proposal of real-time arrival information system for green minibuses (“GMBs”) in the coming three financial years. TD has set up a working group and organises regular meetings with the GMB trade representatives to listen to their views on the real-time arrival information system. At the same time, TD has engaged a technical specialist to take forward the pilot scheme on data collection system. The pilot scheme is expected to be completed by the end of 2019 for the selection of the suitable technology to carry out the development of the system in early 2020. TD will install the relevant devices on GMBs as well as conducting field testing and system trial from mid-2020. To allow passengers to benefit from the proposed initiatives as soon as possible so as to facilitate their planning of trips, we aim to launch the real-time arrival information system in phases from late 2020 with a view to full implementation by 2022.

35. As regards enhancing ancillary facilities, the Government will continue to provide subsidies to franchised bus companies for their installation of display panels for real-time bus arrival information and seats at suitable bus stops, take forward pilot renovation projects to enhance the design and facilities of covered public transport interchanges and ferry piers, and subsidise the Tramways to replace tram tracks at key locations using new technology.

(c) Enhancing the Standards of the Vehicle Maintenance Trade

36. At present, 2 055 vehicle maintenance workshops (74% of the total) and 9 307 vehicle mechanics (90% of the total) have been registered under the “Voluntary Registration Scheme for Vehicle Maintenance Workshops” and “Voluntary Registration Scheme for Vehicle Mechanics” respectively. We are examining viable options for setting up a mandatory registration scheme for vehicle mechanics and vehicle maintenance workshops, and will maintain close liaison with the trade in the process.

(d) Pedestrian-friendly Environment

37. Under the “Walk in HK” policy, TD will continue to implement a host of measures, which include testing out innovative measures to foster a comfortable walking environment in two pilot areas, namely Central and Sham Shui Po; exploring the possibility of extending the pedestrian wayfinding system to other parts of Hong Kong having regard to the experience gained from the pilot system launched in Tsim Sha Tsui; in collaboration with the Lands Department, extending the coverage of the walking route search function (including barrier-free walking route information) to all areas in Hong Kong under the mobile application “HKeMobility” before 2021; and enhancing pedestrian connectivity between Wan Chai and Sheung Wan.

**Transport and Housing Bureau
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