

Budget Speech by the Financial Secretary (8)

Building A Liveable City

113. Hong Kong is our home. We will devote resources to different areas to develop Hong Kong into a more liveable city.

Land Resources

114. The Government is committed to resolving the land and housing problems. We accepted the report of the Task Force on Land Supply early last year and are now taking forward its recommendations in full steam.

Housing Land

115. In the medium to long term, various new development area projects will bring about over 210 000 housing units. In particular, the first parcel of housing land under the Tung Chung East reclamation works is ready for handover next month, and is expected to provide 10 000 public housing units in the first quarter of 2024. The land resumption exercise for Kwu Tung North/Fanling North new development areas commenced last year, with a view to enabling the first population intake of the public housing development in 2027. Besides, upon funding approval by the LegCo, we will commence in the second half of the year the first phase of the works for Hung Shui Kiu/Ha Tsuen new development area. As for the Yuen Long South development, the statutory planning process will commence soon, and we will strive to have the first batch of public housing units in place in 2028.

116. As for rezoning sites for housing development, we have rezoned 135 sites for providing over 147 000 public housing units and approximately 44 000 private housing units over the past six years. Rezoning for another 12 sites are in progress to provide some 11 000 housing units, over 90 per cent of which will be public housing. We will gradually commence the rezoning procedures for another 25 sites in the coming year involving nearly 85 000 units, over 90 per cent of which will be public housing.

117. The Planning Department will commence technical studies on the first batch of shortlisted brownfield clusters suitable for public housing development as soon as possible. It is estimated to provide over 20 000 public housing units, with the details to be announced by the Development Bureau (DEVB) in due course. In addition, the DEVB is co-ordinating technical studies for the three urban squatter areas in Cha Kwo Ling, Ngau Chi Wan and Chuk Yuen for 6 300 public housing units. It will also examine the suitability of some 10 sites, which have been zoned for high-density housing development but without any development plans due to various reasons, for public housing development.

118. Moreover, the three-year Land Sharing Pilot Scheme will start receiving

applications in the first half of this year. The area of land to be approved will be capped at 150 hectares. I believe that this can supplement the supply of public and private housing in the short to medium term.

Housing Supply

119. According to the latest forecast, the total public housing production in the five-year period from 2019-20 to 2023-24 is about 100 400 units, comprising about 74 400 public rental housing and Green Form Subsidised Home Ownership Scheme units and about 26 000 other subsidised sale units. On private housing, it is estimated that the private sector will, on average, complete about 19 600 private residential units annually from 2020 to 2024, an increase of about 25 per cent over the annual average of the past five years.

Long-term Planning for Land Resources

120. Over the past year, the Steering Committee on Land Supply under my leadership had been co-ordinating policy bureaux to re-assess the future land requirements of Hong Kong with the concept of land reserve in mind. The latest land forecast, scheduled to be announced in the second quarter of this year, will provide a blueprint of land search and creation for the Government.

121. Regarding the studies related to Lantau Tomorrow, the DEVB is seeking funding from the LegCo for carrying out engineering, planning and financial assessments. The Government will also strive to secure early approval of the funding for conducting the combined study on the Lung Kwu Tan reclamation and the re-planning of Tuen Mun West (covering a total of approximately 440 hectares of land) for industrial, residential and other development uses. I am aware that some members of the public are concerned that the construction of Lantau Tomorrow may impose a heavy burden on public finances. In this regard, the Government has all along been implementing a stringent audit and monitoring mechanism for the approval of funding for public works and the use of public funds. We are confident in and capable of ensuring that the Government can afford the expenditure on future works.

Land Supply

122. The 2020-21 Land Sale Programme comprises a total of 15 residential sites, capable of providing about 7 500 residential units. Together with railway property development projects and private development and redevelopment projects, the potential land supply for the whole year is expected to have a capacity of providing about 15 700 units.

123. To meet the needs of economic development, the Government will include six commercial sites in the Land Sale Programme, estimated to provide about 830 000 square metres of floor area. The Secretary for Development will shortly announce the details of the Land Sale Programme for the next financial year.

Environmental Protection

124. Climate change has brought about global environmental challenges, with extreme weather phenomena increasing in frequency and intensity. Hong Kong has been working towards the goal of the Paris Agreement. In Hong Kong's Climate Action Plan 2030+ announced in 2017, the Government set out the target to reduce Hong Kong's carbon intensity by 65 per cent to 70 per cent by 2030 against a 2005 baseline, i.e. an overall carbon emission reduction of 26 per cent to 36 per cent. Enhancement in climate resilience will not only turn Hong Kong into a more liveable city, but also contribute to our sustainable development.

125. The Council for Sustainable Development has conducted a public engagement exercise on Hong Kong's long-term decarbonisation strategy. It is analysing the views collected to help the Government formulate a long-term decarbonisation strategy.

Setting Up the Green Tech Fund

126. To promote the development of decarbonisation and green technologies, expedite low-carbon transformation and enhance environmental protection, I propose setting up a \$200 million Green Tech Fund to support R&D and application of decarbonisation and green technologies, and the sharing of R&D findings.

Promoting the Use of Electric Vehicles

127. On promoting the use of electric vehicles (EVs), the Government has offered tax concessions, provided subsidies for franchised bus companies for trials of single-deck electric buses and enhanced the public EV charging network. The number of electric private cars in Hong Kong grew from 70 in 2010 to 13 600 last year, accounting for 2.1 per cent of the total number of private cars. Such adoption rate comes second to Beijing among major Asian cities. The Government will update the Clean Air Plan to, among other things, examine the policy of further promoting the use of EVs. We will also formulate Hong Kong's first roadmap on the popularisation of EVs.

128. As regards charging facilities, we will launch a \$2 billion pilot scheme this year. The scheme aims to subsidise the installation of charging-enabling infrastructure in eligible car parks of private residential buildings, with a view to facilitating the installation of chargers by owners of individual parking spaces.

129. We are researching into electric public light buses that are suitable for local use and the basic specifications and requirements of the associated charging facilities. Relevant guidelines will be formulated. The Government will earmark \$80 million for a pilot scheme under which green PLBs running on fixed routes will pioneer the switch to EVs.

Phasing Out Euro IV Diesel Commercial Vehicles

130. The Government is preparing for the launch of a scheme in the second half of this year to phase out about 40 000 Euro IV diesel commercial vehicles. I have set aside \$7.1 billion for ex-gratia payment to the vehicle

owners concerned.

Pilot Scheme for Electric Ferries

131. To reduce emissions from ferries, the Government plans to launch a pilot scheme for electric ferries serving ferry routes in the Victoria Harbour. I have earmarked \$350 million for this purpose. Relevant departments will work out details of the scheme.

Waste Paper Recycling

132. To support the waste paper recycling industry, I propose to set aside a sum of not less than \$300 million each year starting from 2020-21 for implementing a scheme to recycle waste paper. The Environmental Protection Department (EPD) will engage service contractors to collect waste paper across the territory for screening, sorting and baling before exporting to other places for recycling. This will help stabilise the quantity and price of local waste paper. The EPD plans to commence the scheme in the second half of this year.

Cleaner Production Partnership Programme

133. The Cleaner Production Partnership Programme encourages Hong Kong-owned factories to adopt cleaner production technologies, so as to help improve the regional environment. I have earmarked \$300 million to extend the programme for five years up to March 2025.

(To be continued.)