

Budget Speech by the Financial Secretary (9)

Accelerating Green Development

Green Industries

171. Development of green industries is a major international trend and key to addressing global climate change. The combination of green finance and green technology will accelerate the build-up of multi-faceted industry clusters, thereby creating huge business opportunities and financing needs, and making contribution to green transformation and development.

Green Finance

172. We launched the Sustainable Finance Action Agenda last year, setting out goals for the banking industry to achieve net zero. We also launched the Roadmap on Sustainability Disclosure in Hong Kong. It provides a well defined pathway for large publicly accountable entities to adopt the International Financial Reporting Standards – Sustainability Disclosure Standards no later than 2028. This will make Hong Kong one of the first jurisdictions to align its local requirements with the Standards.

173. To continuously support local green-finance talent training, we will extend the Pilot Green and Sustainable Finance Capacity Building Support Scheme to 2028. Over 5 700 applications have been approved under the Scheme.

Green Technology

174. The HKSTPC will develop the InnoCentre in Kowloon Tong into a leading green technology hub – "GreenTech Hub", bringing together more than 200 green technology companies. The HKSTPC will invite financial and business institutions, universities, institutions supporting business, etc, to become partners of the admitted companies and provide support such as talent training, testing and application scenarios, and business matching.

Green Shipping

175. The Government will provide tax exemption for green methanol used for bunkering. Meanwhile, the Government will implement the Action Plan on Green Maritime Fuel Bunkering to develop Hong Kong into a green maritime fuel bunkering centre.

Green Aviation

176. To provide support for the decarbonisation of the international and local aviation industry, we are promoting the application of Sustainable Aviation Fuel (SAF) at the HKIA. The AA completed a relevant study last year. We will announce an SAF consumption target this year.

Green City

Waste Reduction and Recycling

177. To enhance waste reduction at source, the Government will allocate an additional funding of \$180 million for increasing the number of residential food waste smart recycling bins and food waste collection facilities across the city, as well as expanding the recycling network and increasing waste recovery.

Waste to Energy

178. I·PARK1, Hong Kong's first waste-to-energy facility for treating municipal solid waste, is expected to commence operation this year. Moreover, we have invited the open tender for I·PARK2, the second large-scale facility with an expected treatment capacity of 6 000 tonnes per day. It is a major step towards "zero landfill".

Charging Network for Electric Vehicles

179. There are more than 100 000 electric vehicles in Hong Kong, about eight times of that five years ago. The Government will launch a \$300 million subsidy scheme in the middle of the year. It is expected that the scheme will provide impetus for the industry to install 3 000 fast chargers across Hong Kong by 2030 to be used by 160 000 additional electric vehicles.

Green Transformation of Public Buses and Taxis

180. The Government has announced the Green Transformation Roadmap of Public Buses and Taxis and earmarked \$470 million under the New Energy Transport Fund to subsidise franchised bus operators in purchasing about 600 electric buses. Also, \$135 million were earmarked to subsidise the taxi trade in purchasing 3 000 electric taxis. In addition, the Funding Scheme to Trial of Hydrogen Fuel Cell Heavy Vehicles is now open for application.

Smart and Green Mass Transit Systems

181. Last year, the Government invited expressions of interest for the smart and green mass transit system projects in Kai Tak, East Kowloon and Hung Shui Kiu/Ha Tsuen and Yuen Long South NDAs. The Government will continue to take forward the projects with an innovative mindset, and strive to invite tenders for the Kai Tak project this year and the East Kowloon and Hung Shui Kiu/Ha Tsuen and Yuen Long South NDAs projects next year respectively.

Sustainable Development of Agriculture and Fisheries Industries

182. We will continue to take forward the Blueprint for the Sustainable Development of Agriculture and Fisheries to assist the upgrading and transformation of the agriculture and fisheries industries. The Government has reserved a site in Sheung Shui for the agriculture sector to set up the first multi-storey, modernised and environment-friendly livestock farm. For the fisheries sector, the first batch of marine fish-culture licences at Wong Chuk Kok Hoi and Mirs Bay will be issued in the middle of the year the

earliest. We are also proactively working to establish a brand building and certification system for leisure fisheries and farming, as well as local agricultural and fisheries produce.

Land and Housing Supply

Land Supply

183. We need a sufficient supply of land to create the capacity for supporting the development of new industries, injecting new impetus into our economy, and providing a better living and leisure environment for our people.

184. The Government will closely monitor market situation and development, and roll out sites in a paced and orderly manner. Having learned from past experience that land shortage would constrain Hong Kong's development, we must persist with our work on planning and land creation. The pace of rolling out sites to the market can be adjusted in the light of actual circumstances.

185. The commercial property market has been facing considerable challenges in the past few years. In view of the high vacancy rates of offices in recent years and the relatively ample supply in the next few years, the Government will not roll out any commercial site for sale in the coming year to allow the market to absorb the existing supply. We will also consider rezoning some of the commercial sites into residential use and allowing greater flexibility of land use. To tie in with the relevant work, we will also extend the deadline for completing in-situ land exchange for commercial sites in the town centre of HSK/HT NDA.

186. The Land Sale List of the coming year comprises eight residential sites. There will also be railway property development projects, projects undertaken by the Urban Renewal Authority (URA) as well as private development and redevelopment projects. Taken together, the potential land supply for the whole year is expected to have a capacity for providing about 13 700 units, similar to the projected annual demand for private housing as announced in the Long Term Housing Strategy. The sale arrangements will be announced on a quarterly basis having regard to market situation and relevant circumstances.

187. We will prepare land for the production of about 80 000 private housing units in the coming five years. About 65 per cent of the land comes from the NM and the Tung Chung New Town Extension. The above projection has yet to take into account the supply from development projects undertaken by the URA and other private development projects.

Housing Supply

188. On public housing supply, the Government has identified sufficient land for meeting the supply target of 308 000 public housing units over the next 10 years. Coupled with Light Public Housing, the total public housing supply in the coming five years will reach 190 000 units, which is about 80 per cent higher than that of the first five year period since the current term

Government took office.

189. On private housing supply, it is estimated that the completion of private residential units will be on average over 17 000 units annually in the coming five years, representing a decrease of about eight per cent over the annual average of the past five years. The potential supply of first hand private residential units for the next three to four years will be around 107 000 units.

Infrastructure Development

Transport Infrastructure

190. The Government will strive to commence the detailed planning and design of the South Island Line (West) project this year. The construction works of the remaining sections of Route 6, namely the Central Kowloon Route and Trunk Road T2 and Cha Kwo Ling Tunnel, are entering the final stage. The Central Kowloon Route project is expected to be completed by the end of this year while Route 6 will be fully commissioned next year.

Professional Development of Construction Industry

191. I have set aside \$15 million for the work of the Centre of Excellence for Major Project Leaders over the next two years to enhance the professionalism, innovation capabilities and cost-effectiveness management of the construction industry. The Centre will organise summits and various events to promote exchanges and co-operation transcending geographical and sectoral boundaries.

192. To attract more young people to join the construction industry, we and the Construction Industry Council (CIC) will jointly allocate funding totalling about \$95 million to continue the provision of on-the-job training subsidies to trainees enrolling in part-time construction-related degree programmes over the next two academic years. It is anticipated to benefit about 1 000 trainees.

193. The CIC will allocate around \$150 million to subsidise the construction industry to provide on the job training for about 2 500 graduates of degree programmes in engineering, architecture, surveying, planning and landscape architecture. This will assist more young people in obtaining professional qualifications.

A Caring and Inclusive Community

Support for Youth

194. The Government has just raised the upper age limit for participants of the Youth Employment and Training Programme to 29 and introduced workplace attachment opportunities in the GBA to help young people enhance their employability. The estimated expenditure for the Programme next year is around \$100 million.

195. In the coming year, we plan to offer around 4 000 short term internship

placements in bureaux and departments and public organisations for tertiary students. Students who aspire to pursue a career in public service may take the opportunity to broaden their horizons and better plan for their future career development.

196. The Hong Kong Housing Authority has launched the "Well Being â™ Start Up" Programme on a pilot basis, offering rent-free shop premises in its shopping centres for young people to trial their business plans. The Programme has received ardent support from different sectors of the community. The Authority will expand the programme and appeal to private landlords for support.

Caring for the Elderly

197. The Government will, in the next financial year, increase the number of vouchers under the Residential Care Service Voucher Scheme for the Elderly by 1 000 to 6 000 in total and increase the number of vouchers under the Community Care Service Voucher Scheme for the Elderly by 1 000 to 12 000 in total, involving an annual expenditure of about \$1,710 million and \$900 million respectively.

198. The Working Group on Promoting Silver Economy will implement measures in five areas, namely boosting "silver consumption", developing "silver industry", promoting "quality assurance of silver products", enhancing "silver financial and security arrangements", and unleashing "silver productivity". Relevant policy bureaux are taking forward their work.

199. The HKMA will collaborate with the Hong Kong Association of Banks to formulate industry guidelines this year, with a view to encouraging banks to offer elderly-friendly electronic banking services.

Support for Working Families

200. As at the end of last year, about 50 000 households were receiving allowance under the Working Family Allowance Scheme, involving around 170 000 persons, inclusive of some 70 000 children. In 2025-26, the estimated expenditure for the Scheme is about \$2.1 billion. The Government has increased the rates of the household and child allowances under the Scheme by 15 per cent across the board with effect from April last year.

Child Protection

201. The Mandatory Reporting of Child Abuse Ordinance will come into effect next January, creating a wider protection web for children. The Government will provide an additional annual provision of \$186 million to increase emergency places for residential child care and strengthen professional support for child abuse victims and their families.

Support for Persons with Disabilities

202. The Government will set up 14 Integrated Community Rehabilitation Centres across the territory in phases to provide persons with disabilities who require medium to high level care with flexible and integrated community

support services through a case management approach. Besides, 1 280 additional day community rehabilitation and home care service places will be provided for persons with disabilities, involving about \$160 million additional annual expenditure.

203. Starting from the third quarter of this year, the Government will regularise the Pilot Project on Enhancing Vocational Rehabilitation Services to provide training to persons with disabilities according to their personal interest and abilities to enhance their employment opportunities. The annual expenditure involved is about \$100 million and it is expected to benefit about 10 000 people.

Women's Development

204. The Government is committed to women's development and launched the Women Empowerment Fund in June 2023 with an annual funding of \$20 million. To date, the Fund has provided funding support to women's groups and non governmental organisations for launching over 240 projects, empowering women to excel. This year, a two year pilot mentorship programme will be launched, pairing female university students with women leader mentors to promote women's workplace development.

District Services and Community Care Teams

205. Last year, the Chief Executive announced that the Government would regularise the establishment of District Services and Community Care Teams and increase their funding by 50 per cent in the next term of service. Since the launch of the Community Care Teams, they have paid visits to about 390 000 households and provided around 43 000 times of support services. The Government will further enhance the provision of caring services.

Enhancement of Public Healthcare System

206. To develop primary healthcare, the Government will upgrade the District Health Centre Expresses in Central and Western District, Eastern District and Yau Tsim Mong District into District Health Centres this year, with a view to strengthening the community healthcare system.

207. The Government is progressively implementing and completing the 16 works projects, which entail a total of about \$190 billion, under the First Hospital Development Plan. Taking into account the latest demographic structure, planning and development situation in Hong Kong, we will review the distribution, scale and priority of projects under the Second Hospital Development Plan, and will make the announcement in due course.

208. Furthermore, the Government and the HA are reviewing the structure and levels of subsidisation for public healthcare, with a view to strengthening the financial sustainability of public healthcare services and providing better support for patients with serious or critical conditions as well as those with financial difficulties. The outcome of the review will be announced this year.

Combatting Illegal Betting

209. In recent years, quite some members of the public have expressed concerns about the problem of illegal basketball betting in Hong Kong. According to the latest assessment of the Hong Kong Jockey Club (HKJC), the turnover of illegal basketball betting reached \$70 billion to \$90 billion last year. To combat illegal betting activities in an effective manner, the Government will explore regulating basketball betting activities and invite HKJC to submit a proposal.