

# LCQ17: Government public transport fare concession scheme

Following is a question by the Hon Chan Siu-hung and a written reply by the Secretary for Labour and Welfare, Mr Chris Sun, in the Legislative Council today (March 20):

Question:

There are views that as the Government has lowered the eligible age for the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (commonly known as the \$2 scheme) to 60 from February 27, 2022, the number of beneficiaries has increased substantially, thus imposing a heavy burden on public finance. Moreover, the \$2 scheme has given rise to problems such as "taking long-haul routes for short journeys" and abuses, resulting in an increase in the amount of relevant subsidies granted by the Government. In this connection, will the Government inform this Council:

(1) of the amount of subsidies granted by the Government to various public transport operators participating in the \$2 scheme, and the recurrent expenditure and administrative cost of the scheme from April 2023 to the end of last month; the estimated amount of relevant subsidies in each of the next five financial years;

(2) in respect of (a) persons aged between 60 and 64, (b) persons aged 65 or above, and (c) eligible persons with disabilities, of the average monthly (i) number of public transport rides (set out in the table below) and (ii) amount of relevant travelling expenses involved for each designated Octopus card or JoyYou Card under the \$2 scheme from March 2022 to the end of last month;

Month	No. of rides	No. of beneficiaries				Percentage share				Cumulative percentage			
		(a)	(b)	(c)	Total	(a)	(b)	(c)	Total	(a)	(b)	(c)	Total
	10 or less												
	11-30												
	31-50												
	51-100												
	Over 100												

(3) as there are views that with some beneficiaries of the \$2 scheme taking long-haul routes for short journeys, public funds have been wasted as a result, whether the Government has considered enhancing the scheme by setting a monthly ceiling on the concession (e.g. \$500, \$1,000 or \$1,500) provided

for the beneficiaries, and calculating the amount of concession used on the basis of original fare; if not, of the reasons for that;

(4) as it is learnt that many elderly persons do not understand that taking long-haul routes for short journeys will create a financial burden on the Government, of the details of related publicity and education work in the past three years (including the means and frequency of publicity, as well as the expenditure involved), and whether measures are in place to educate elderly persons to avoid taking long-haul routes for short journeys; if so, of the details; and

(5) of the number of law enforcement actions taken by the relevant law enforcement agencies to combat abuses of the \$2 scheme by ineligible persons in each of the past five years, as well as the number of abuse cases found and the number of cases with summonses issued against the persons concerned?

Reply:

President,

The Financial Secretary announced in the 2024-25 Budget to review the mode of operation of the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (\$2 Scheme) with a view to maintaining the financial sustainability of the Scheme. The Government has stated clearly that it will maintain the policy intent of the \$2 Scheme to build a caring and inclusive society by encouraging the beneficiaries to participate more in community activities, and has no intention to cancel the Scheme or change the existing beneficiary groups.

The reply to the question raised by the Hon Chan Siu-hung is set out below:

(1) The amount of Government's reimbursement of the revenue forgone to the participating public transport operators (PTOs) under the \$2 Scheme for 2023-24 (as at February 29, 2024) is at Annex 1. The revised estimate of the recurrent expenditure of the \$2 Scheme for 2023-24 is about \$4.05 billion. Of this, the revised estimate of the Government's reimbursement of the revenue forgone to the participating PTOs is about \$4.0 billion and the revised estimate of the administrative cost is about \$50 million.

In 2024-25, the estimated Government's reimbursement of the revenue forgone to the participating PTOs under the \$2 Scheme is about \$6.01 billion. Future expenditure of the \$2 Scheme will depend on a number of factors including changes in the population of eligible beneficiaries, fare adjustments, changes in PTOs participating in the \$2 Scheme, the effectiveness of the anti-abuse measures, etc. The Government will closely monitor the operation of the \$2 Scheme, prepare for the estimates of expenditure and reflect in the estimates of the corresponding years.

(2) Monthly statistics concerning the average daily passenger trips under the \$2 Scheme from March 2022 to December 2023 with breakdown by beneficiary groups and the relevant percentages are at Annex 2. The Transport Department

(TD) does not maintain information relating to the monthly numbers of trips taken by individual beneficiaries under the Scheme and the amounts of transport expense of individual Octopus or JoyYou Card.

(3) The Government would take into account the effectiveness of different options in containing the growth of expenditure in the review and factors including the practicability of these options.

(4) The Government has all along been enabling the beneficiaries to understand how to make proper use of the \$2 Scheme through publicity and education. The Government has rolled out TV and radio APIs and posted posters at major public bus and public light bus termini as well as public light bus compartments on the routes for which two-way section fares are offered to encourage beneficiaries of the Scheme to make appropriate use of short-haul routes and to assist passengers to understand the arrangement of two-way section fare, so as to reduce the differential fares under the \$2 Scheme and ensure proper use of public funds.

(5) The TD has all along been requesting PTOs to strengthen ticket inspection and passenger identity verification work, and strictly enforce the penalty as set out in relevant legislation and by-laws to prevent abuses of the \$2 Scheme. The TD also conducts surveys and monitors the situation.

During site monitoring surveys jointly conducted by the TD and PTOs in the past five years on the Mass Transit Railway (MTR), buses, ferries, kaitos, minibuses, trams and residents' buses, 1 419 suspected abuse cases were found.

To step up enforcement actions against abuses of the \$2 Scheme by ineligible persons, the TD has enhanced joint enforcement actions with PTOs such as franchised buses and ferries from June 2023 onwards. As at end-February this year, a total of around 350 joint enforcement actions were conducted across 650 routes with about 2 360 persons inspected for suspected abuse of \$2 Scheme, and two suspected abuse cases were found and referred to the Police for follow-up. The court hearing of one of the cases has been completed and the passenger involved was fined approximately \$14,000 and required to repay the underpaid fare (totalling around \$2,000). The other case is currently under the Police's investigation. The TD will continue to conduct joint special inspection and enforcement actions with PTOs and refer suspected abuse cases to the Police for follow-up and criminal investigation where there is sufficient evidence so as to ensure that the resources of the \$2 Scheme are spent on target beneficiaries. During the same period, the MTR Corporation Limited, in its enforcement actions, imposed surcharges to around 4 260 ineligible persons for abusing the \$2 Scheme.