

LCQ3: Government public transport fare concession scheme

Following is a question by the Hon Tik Chi-yuen and a reply by the Secretary for Labour and Welfare, Mr Chris Sun, in the Legislative Council today (June 7):

Question:

Under the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (commonly known as the \$2 Scheme), elderly persons aged 60 or above and eligible persons with disabilities only need to pay \$2 per trip to travel on public transport modes covered by the Scheme, with the exception of some routes and services. However, it has been reported that the Convenor of the Executive Council and the former Secretary for Transport and Housing have considered that the Scheme would impose a huge financial burden on the Government and requested that a review be conducted. In this connection, will the Government inform this Council:

(1) as there are views that the expenditure of the \$2 Scheme is a bottomless pit, and the decision to lower the eligible age to 60 years old was lightly made, how the Government responds to such views;

(2) of the respective amounts of subsidies granted by the Government to various public transport operators under the \$2 Scheme in the past five years, and whether it has investigated the amounts involved in suspected abuse of the Scheme, including but not limited to "taking long-haul routes for short journeys"; if so, of the relevant amounts, and how the Government eradicates the problems concerned; if not, the reasons for that; and

(3) whether it has plans to raise the fare under the \$2 Scheme to \$3; if so, of the reasons for that?

Reply:

President,

In 2012, the Government launched the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities, commonly known as the \$2 Scheme, to enable elderly people and eligible persons with disabilities to travel on designated public transport modes and services at a concessionary fare of \$2 per trip. The \$2 Scheme aims to build a caring and inclusive society by encouraging the beneficiaries to participate more in community activities. Since February 27, 2022, the Government has implemented various enhancement measures of the \$2 Scheme, including lowering the eligible age from 65 to 60, benefitting more than 600 000 people in the age group of 60-64, and extending the \$2 Scheme to cover red minibuses, kaitos, trams and residents' buses.

In consultation with the Transport and Logistics Bureau, I would like to reply to the question raised by the Hon Tik as follows:

(1) The previous term Government announced in early 2020 that the eligible age for the \$2 Scheme would be lowered to 60. In drawing up the budget for the \$2 Scheme, the Government had taken into account the factors that the expenditure of the scheme would increase due to ageing population of beneficiaries, upward adjustment of transport fares, increase in the number of participating public transport operators (PTOs), etc. With the implementation of the enhancement measures since end-February 2022, the actual expenditure of the \$2 Scheme in 2022-23 is within the range of estimated expenditure.

(2) The Government reimburses the PTOs the actual applicable fare after deducting any concessions offered by the PTOs minus the uniform flat rate of \$2 per trip paid by an eligible beneficiary on an accountable basis. The amount of subsidies reimbursed by the Government to the PTOs under the \$2 Scheme has increased from around \$1.2 billion in 2018-19 to around \$3.1 billion in 2022-23. A breakdown of the amount of subsidies by year and PTO in the past five years is at Annex.

The Government has all along been combating abuses of the \$2 Scheme by ineligible passengers. During site monitoring surveys jointly conducted by the Transport Department (TD) and PTOs between 2018 and 2022 on the Mass Transit Railway (MTR), buses, ferries, kaitos, minibuses, trams and residents' buses, 1 304 suspected abuse cases were found. Since the passengers concerned are normally required to pay the shortfall on the spot and no Government's reimbursement is involved, the Government does not keep the figures on the amount of differential fares involved in the above suspected cases.

To step up enforcement actions against abuses of the \$2 Scheme by ineligible persons, the TD will conduct territory-wide joint enforcement actions with PTOs within this month. The MTR Corporation Limited will enhance publicity and education, strengthen ticket inspection and impose a surcharge on all ineligible passengers travelling at the concessionary fares, and will raise the amount of surcharge: the surcharge will be raised from \$500 to \$1,000 for heavy rail and from \$290 to \$370 for light rail. The TD will also set up a dedicated team to conduct joint actions with operators of franchised bus and ferries, etc. to combat abuses. I would like to remind the public that once a passenger is found to abuse the \$2 Scheme, that is, non-eligible persons using other persons' cards, the passenger will not only be required to pay the shortfall or a surcharge on the spot, but the case will also be referred to the Police for investigation and follow-up. It is an offence for an ineligible person to abuse the \$2 Scheme. Any person who is convicted is liable to imprisonment. The Government has launched a new round of publicity programmes to remind members of the public not to defy the law through TV and radio announcements in the public interest (APIs) and posters.

The TD has all along been encouraging franchised bus and green minibus operators to provide fare concession schemes, including section fares or two-way section fares, as far as possible taking into account their commercial

considerations, including operating and financial conditions, overall economic environment, passenger needs and impact on vehicle resources, etc. 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 \$2 Scheme to make appropriate use of short-haul routes and to assist passengers to understand the operation of two-way section fare, so as to reduce the differential fares under the \$2 Scheme and ensure proper use of public funds. The TD will devise a feasible plan to collect data on beneficiaries taking long-haul routes for short trips as soon as possible.

(3) The Government is mindful of the recent different opinions on the \$2 Scheme in society. As the enhancement and anti-abuse measures of the \$2 Scheme have been implemented progressively for just over a year since end-February 2022, the Government's work focus at this stage is to step up efforts to combat abuse by ineligible persons. The Government will also strengthen joint enforcement actions with PTOs to enhance the deterrent effect to ensure that the resources of the \$2 Scheme are spent on target beneficiaries.

Thank you, President.