

Government announces enhancement measures under the \$2 Scheme (with video)

The Government announced today (January 12) the completion of the final report by the consultant commissioned by the Government to review the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (the \$2 Scheme), and the implementation of enhancement and anti-abuse measures under the \$2 Scheme.

The Secretary for Labour and Welfare, Dr Law Chi-kwong, said, "The consultant commissioned by the Government proposed a number of recommendations in the final report. Having thoroughly examined the recommendations, we have decided to adopt various enhancement measures under the \$2 Scheme. In addition to extending the \$2 Scheme to red mini buses, kaitos and the tramways on specified conditions, the eligible age will be lowered to benefit more than 600 000 persons aged 60 to 64."

In summary, the enhancement and anti-abuse measures include:

1. implementing the lowering of the eligible age on the strict condition that persons aged 60 to 64 must apply for and use tailor-made Personalised Octopus Cards (P-Cards) with photo and age eligibility as a prerequisite for benefitting from the concessionary fare;
2. extending the mandatory requirement of using P-Cards to all existing beneficiaries aged 65 and above in the following two years upon completion of the issue of P-Cards to new beneficiaries;
3. requiring all public transport operators under the \$2 Scheme to enhance ticket inspections and passenger identifications, and to strictly enforce the penalty as set out in relevant legislation and by-laws; launch publicity programmes to enhance public awareness towards any abuse of the \$2 Scheme and to remind beneficiaries of making appropriate use of "section fare" to ensure proper use of public money;
4. extending the \$2 Scheme to red mini buses and kaitos on the condition of their strict compliance with the Transport Department's monitoring conditions prior to their admission, including registration with the department of origin and destination of the routes and fares, installation of an Octopus payment system on admitted routes to ensure adherence to pre-set registered fares for calculating reimbursement of differential fares, as well as compliance with its regular reporting and audit requirements;
5. upon lowering the eligible age of the \$2 Scheme to 60, extending the \$2 Scheme to the tramways on the condition that Hong Kong Tramways Limited will adhere to the standard requirements under the \$2 Scheme (i.e. participating public transport operators will only be reimbursed the

difference between the full adult fare and the \$2 flat rate); and

6. making appropriate adjustments to the fixed rate of \$2 every five years to reflect the real value of the beneficiary's contribution in light of fare increases.

Furthermore, the consultant pointed out that Residents' Services primarily serve property owners and residents of specific private residential developments with the fares being determined on the basis of the mutual agreement of the operators concerned and the owners or residents groups of relevant properties, and thus did not recommend Residents' Services be covered by the \$2 Scheme. The consultant also pointed out that the public generally supported that the \$2 Scheme should be restricted to local elderly residents. The Government adopted the consultant's recommendation and noted that the current problem will be resolved upon implementation of the mandatory use of P-Cards by local beneficiaries.

Upon confirmation of the technical specifications for P-Cards, the Government estimates that the issue of P-Cards to some 600 000 new beneficiaries aged 60 to 64 may be completed within 13 months. If passage of all relevant procedures proceeds smoothly, including the appropriation procedures under the Legislative Council, the Government may implement progressively this measure and other enhancement measures from the first quarter of 2022.

The Government commissioned a consultant to conduct a comprehensive review of the effectiveness and sustainability of the \$2 Scheme and possible enhancements having regard to demographic trends, operational considerations, public aspirations and financial commitments. The consultant conducted public engagement sessions in 2019 with stakeholders including public transport operators, concern groups of the elderly and persons with disabilities, district personalities, etc. Furthermore, the Chief Executive announced in January 2020 the eligible age of the \$2 Scheme would be lowered from 65 to 60 to benefit some 600 000 persons aged 60 to 64. In this regard, the consultant was required to take into account this improvement measure in finalising the assessment and recommendations in the consultancy report. The Chief Executive further announced in the Policy Address in November 2020 that on the premise of being able to combat and prevent abuse effectively, the Government would include the required funding in the 2021-22 Budget with a view to progressive implementation within that financial year.

The consultant's final report has been uploaded onto the website of the Labour and Welfare Bureau (www.lwb.gov.hk).