

LCQ19: Settling government bills

Following is a question by the Hon Alvin Yeung and a written reply by the Secretary for Financial Services and the Treasury, Mr James Lau, in the Legislative Council today (December 18):

Question:

At present, the Government provides a number of payment channels for members of the public to settle government bills. In this connection, will the Government inform this Council:

(1) whether the operators of the various payment channels have charged the Government for any transaction fees; if so, of the methods for calculating such fees (e.g. calculated on a yearly or a per-transaction basis) and the levels of such fees (e.g. a flat fee or a certain percentage of the transaction amount), and set out the relevant information according to the payment channels as set out in the table below; and

Payment channel (if there is more than one operator in respect of the same payment channel, and the various operators have put in place different arrangements, please set them out one by one)	Method for calculating fees	Level of fees
PPS		
Faster Payment System		
Internet banking		
Phone banking		
e-Cheque		
Convenience store		
Others (please specify)		

(2) of the public expenditure incurred by the Government in each of the past five years for the provision of online payment services?

Reply:

President,

My reply to the two parts of the question is as follows:

(1) The Government currently provides various payment channels for members of the public to settle government bills. Transaction fees are paid to the operators according to the contracts. The relevant payment channels and methods for calculating the transaction fees are as follows:

Payment channel	Method for calculating transaction fees
PPS	Fixed fee per transaction
Faster Payment System	
Internet banking (including credit card, bank transfer etc.)	
Phone banking	
Convenience store	
Others (Autopay, automatic teller machine, Electronic Bill Presentment and Payment service, post office and postal remittance)	

Information of the transaction fee level of individual payment channels above are commercially sensitive and hence could not be provided. Overall speaking, the average expenditure incurred by the Government for each transaction settled through the payment channels above is around \$3.

e-Cheques are collected through the "Pay e-Cheque" portal operated by the Government. No transaction fee to the operator is involved.

(2) The expenditure incurred by the Government in each of the past five years for the provision of electronic payment services through the payment channels mentioned above is as follows:

Financial year	\$ (Million)
2014-15	17.4
2015-16	17.9
2016-17	18.8
2017-18	21.8
2018-19	22.0