

LCQ5: Government public transport fare concession scheme

Following is a question by the Hon Chan Hak-kan and a reply by the Secretary for Labour and Welfare, Dr Law Chi-kwong, in the Legislative Council today (December 16):

Question:

The Government announced in January this year that the eligible age of the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (the Concession Scheme) would be lowered from 65 to 60. The Chief Executive indicated in November that the Government had largely completed the assessment, and on the premise of combating and preventing abuse effectively, it would include the funding required for the measure in the Budget for the next financial year with a view to implementing the measure progressively. In this connection, will the Government inform this Council:

- (1) of the latest progress of the implementation of the measure; the estimated recurrent expenditure to be incurred in each of the first three years of implementing the measure, and the percentages of administrative cost in such expenditures;
- (2) whether it has estimated the public expenditure incurred since January this year as a result of the Concession Scheme being abused; of the number of Elder Octopus cards currently in active use, and whether this number matches the number of elderly people who travel frequently; and
- (3) of the number of suspected cases of abuse of the Concession Scheme uncovered since January this year as a result of the site monitoring surveys conducted by the Transport Department (TD); given that the TD uncovered only 11 such cases last year, whether it has reviewed if law enforcement by the TD was perfunctory, and what new measures it will take to prevent the Concession Scheme from being abused?

Reply:

President,

The Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (\$2 Scheme) has been implemented since 2012 with the policy objective of building a caring and inclusive society in Hong Kong by enabling the elderly aged 65 or above and eligible persons with disabilities to travel on designated public transport modes at a concessionary fare of \$2 per trip. The Government reimburses specified Public Transport Operators (PTOs) the actual applicable fares charged by them minus the uniform flat rate of \$2 per trip paid by an eligible beneficiary on an accountable basis. The services of these specified PTOs currently being

covered by the \$2 Scheme include general Mass Transit Railway (MTR) lines, general franchised bus services, regular franchised and licensed ferry routes and green minibus services.

In respect of Member's detailed questions, my reply is as follows:

(1) Since the \$2 Scheme was introduced in 2012, the number of the elderly aged 65 or above has increased from 980 000 to 1.32 million in 2019, representing an increase of about 35 per cent. Having considered the trend of an ageing population in Hong Kong, the Government expects the number of the elderly aged 65 or above to rise further to more than 1.75 million by 2025. At the same time, the recurrent expenditure for reimbursing the PTOs under the \$2 Scheme reached \$1,300 million in 2019/20, or 5.7 times over 2012. As the Chief Executive (CE) stated earlier, the livelihood initiatives announced by her in early 2020, including the one to lower the eligible age of the \$2 Scheme from 65 to 60, were proposed on the premise that they are fiscally affordable by the Government. The CE also made it clear that the implementation timetable for the initiative would be announced upon completion of the comprehensive review of the \$2 Scheme. Hence, it is necessary for the Government to consider carefully, upon receipt of the consultant's report, the feasibility, detailed arrangements, timing of implementation, financial assessment and so on of the proposed improvement measures. The CE already mentioned in her Policy Address announced on November 25, 2020 that the Government has largely completed the internal assessment, and on the premise of being able to combat and prevent abuse effectively, we will include the required funding in the 2021-22 Budget with a view to progressive implementation within that financial year.

(2) Currently, elderly persons aged 65 or above are able to use anonymous Elder Octopus cards or personalised Octopus cards to enjoy benefits under the \$2 Scheme. According to available information, in 2019, about 3.6 million anonymous Elder Octopus cards and 0.4 million personalised Octopus cards that were in the possession of elderly persons aged 65 or above had been used within past three years and the number of cards increases by about 0.35 million per year, whilst there were only 1.32 million elderly aged 65 or above in 2019 and the annual increase of the elderly reaching 65 is only around 50 000. Given the trend of an ageing population in Hong Kong, the public expenditure for the \$2 Scheme is expected to increase substantially. Hence, the Government needs to consider seriously effective measures to prevent abuses of the \$2 Scheme in order to ensure that public funds are used properly. The Government conducted a comprehensive review of the \$2 Scheme, which aims to assess the effectiveness and fiscal sustainability of the \$2 Scheme, and to examine it in detail having regard to our ageing demographic trend, operation of public transport, effectiveness of anti-abuse measures, public aspirations and the Government's overall fiscal affordability, etc.

(3) To strengthen anti-abuse efforts of the \$2 Scheme, the Transport Department (TD) has asked the PTOs to step up ticket inspection and passenger identity verification, and has proactively arranged site monitoring surveys on the usage of the \$2 Scheme. Should there be any ineligible passengers found travelling at the concessionary fare, they will be required by the PTOs to pay a surcharge and/or the shortfall. Depending on the circumstances, the

PTOs may prosecute or refer individual cases to the Police for follow-up actions. During the TD's site monitoring surveys, there were 143, 185 and 11 suspected abuse cases found in 2017, 2018 and 2019 respectively. The number of suspected abuse cases found in 2019 was less than those in the previous years as the monitoring surveys conducted in the MTR were severely disrupted by the social incidents in the second half of the year.