

## LCQ6: Public Transport Fare Subsidy Scheme

Following is a question by the Hon Chan Hak-kan and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (May 15):

Question:

Since January 1 this year, the Government has implemented the Public Transport Fare Subsidy Scheme (the Subsidy Scheme) to provide members of the public with subsidies for public transport expenses. The amount of monthly subsidy is set at 25 per cent of the actual public transport expenses after deducting the first \$400, subject to a maximum amount of \$300. Members of the public may collect the subsidy of the previous month on and after the 16th of each month, and the time limit for collection of the subsidy is three months. In this connection, will the Government inform this Council:

- (1) of the number of members of the public who collected the subsidies (with a breakdown by the group to which the subsidy amount belongs (each group spanning \$100) and their percentages), and the total amount of subsidies involved, in each month since the implementation of the Subsidy Scheme, and the average amount of subsidy received by each person each month;
- (2) of the respective numbers of persons who have hitherto not collected the subsidies for January and February, as well as the respective amounts of subsidies involved;
- (3) whether it will include all red minibus and Kaito routes in the Subsidy Scheme; if so, of the details; if not, the reasons for that; and
- (4) given that according to the results of a questionnaire survey conducted earlier, half of the respondents received a monthly subsidy of about \$100 only (i.e. one-third of the maximum subsidy amount), whether the Government will study if the current threshold of \$400 for subsidy collection is too high and the subsidy rate is too low, and whether it will consider relaxing them with a view to increasing the number of beneficiaries and the amount of subsidy they may collect; if so, of the details; if not, the reasons for that?

Reply:

President,

The Government implemented the non-means-tested Public Transport Fare Subsidy Scheme (the Scheme) on January 1, 2019 to relieve the fare burden of commuters who travel on local public transport services for daily commuting and whose public transport expenses are relatively high. My reply to the various parts of Hon Chan Hak-kan's question is as follows:

(1) Based on the actual public transport expenses of commuters under the Scheme, the amounts of subsidy for January, February and March 2019 are about \$185.7 million, \$120.9 million and \$181.8 million respectively. It is believed that the smaller amount of subsidy in February as compared to that in January is attributable to the Lunar New Year holidays as well as fewer calendar days and working days in February. The distribution of the subsidy amount for beneficiaries from January to March is at Annex. The number of beneficiaries in the first three months is around 2.35 million, 1.94 million and 2.36 million respectively, and the average amounts of subsidy for each beneficiary in the first three months are around \$79, \$62 and \$77 respectively.

(2) As at May 12, there are about 330 000 commuters who have not yet collected their subsidy for January, involving a subsidy amount of around \$15 million. Separately, there are about 320 000 commuters who have not yet collected their subsidy for February, involving an amount of about \$12 million.

Having regard to that during the initial stage of the implementation of the Scheme, some members of the public may not be fully familiar with the Scheme's operation and therefore may have missed the subsidy collection period, the Government will introduce a 3-month temporary special arrangement to allow those who have not collected their subsidies for January-March 2019 within the subsidy collection period to apply within one month from the day following the expiry of the subsidy collection period for claiming the expired subsidies through the Scheme hotline (2969 5500). Generally speaking, the Scheme hotline staff will be able to confirm at once whether there is uncollected subsidy and the relevant subsidy amount. Upon confirmation of the application, such members of the public can credit the expired and uncollected subsidy to their Octopus through various subsidy collection channels from the 16th day of the month following the date of the application. The expired subsidy is valid for collection within three months.

(3) The Scheme covers the Mass Transit Railway, franchised buses, green minibuses, ferries and trams, as well as designated routes of red minibuses, Kaitos, non-franchised buses providing residents' services (RS) and employees' services (ES) approved by the Transport Department (TD).

Operators of RS, ES, red minibuses and Kaitos must observe the basic requirements (such as that the operator must be a legal entity holding a business registration; the vehicles/vessels concerned must be installed with the Octopus payment system; and details of the routes participating in the Scheme must be registered with the TD, etc.) before submitting applications to the TD. The operators must also undertake to comply with a set of prescribed operational requirements. For the proper use of public funds and risk management, the TD will carefully scrutinise each application to ensure that the operator complies with the above operational requirements and the TD can take appropriate monitoring measures effectively before approval is given to include the routes concerned under the Scheme.

The Government welcomes and encourages operators of the above four modes of public transport services to join the Scheme. In fact, the TD has been

maintaining close communication with operators who are interested in joining the Scheme through meetings and telephone communication, answering their enquiries in detail and providing them with assistance for joining the Scheme. The TD will continue to receive and process applications for joining the Scheme from operators of the above four modes of public transport services, so as to benefit more passengers.

To facilitate more operators joining the Scheme, the Octopus Cards Limited has been offering special concessions to operators which apply for joining the Scheme for the first time and use the Octopus payment system. They can procure the Octopus processors and other relevant devices and services at discounted prices. If the operators choose the rental option of Octopus processors, the Octopus Cards Limited has offered rent-free concession for the first year.

(4) The Government will continue to closely monitor the Scheme's implementation to ensure its continuous and smooth operation, and will commence the first review of the Scheme around a year after the Scheme's implementation (i.e. early 2020) to examine its effectiveness and impacts on the overall strategic arrangement of public transport services, as well as its financial implications having regard to actual data.