

# TAC briefed on Public Transport Fare Subsidy Scheme and discussed Star Ferry fare increase application

The following is issued on behalf of the Transport Advisory Committee:

The Transport Advisory Committee (TAC) was briefed today (January 21) on the implementation of the Public Transport Fare Subsidy Scheme and the review direction. The application for fare increases by the "Star" Ferry Company, Limited (Star Ferry) for the Central – Tsim Sha Tsui and Wan Chai – Tsim Sha Tsui routes was also discussed.

The Government launched 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. The Scheme covers the Mass Transit Railway, franchised buses, green minibuses, ferries and trams, as well as designated routes of red minibuses, non-franchised buses providing residents' services or employees' services and Kaitos approved by the Transport Department.

To further alleviate commuters' fare burden arising from increasing public transport expenses, the Government has enhanced the Scheme from January 1, 2020, by increasing the subsidy rate of the Scheme from one-fourth to one-third of the monthly public transport expenses in excess of \$400 as well as raising the subsidy cap from \$300 to \$400 per month. The level of monthly public transport expenses is maintained at \$400.

In the first year of the Scheme's implementation, the total subsidy amount was about \$1.9 billion, representing a monthly average subsidy amount of about \$160 million, with the average number of beneficiaries per month about 2.2 million. With an additional annual subsidy amount of around \$800 million arising from the enhancement of the Scheme, the estimated annual subsidy amount will increase from around \$2.3 billion to around \$3.1 billion and the average number of beneficiaries per month will remain around 2.2 million.

The TAC Chairman, Professor Stephen Cheung, said, "Members are pleased to note that the Scheme has been operating smoothly and has been well received by the public since its launch. Members also welcome that the Government has suitably raised the subsidy rate and subsidy cap of the Scheme to further alleviate the fare burden of commuters."

Members noted that at the start of this year, the Government has kick-started the review of the Scheme to examine its operational arrangements for providing greater convenience to the general public. The review is expected to be complete in the fourth quarter of 2020.

Referring to the application for fare increases by Star Ferry for the Central – Tsim Sha Tsui and Wan Chai – Tsim Sha Tsui routes, Professor Cheung said, "Members note the operation and financial performance of Star Ferry. In deliberating Star Ferry's application, Members have considered and balanced all relevant factors, including the financial viability of the two franchised ferry routes and public acceptability."

The TAC will submit its recommendation to the Government for consideration by the Chief Executive in Council.