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Panel on Welfare Services

**Updated background brief prepared by the Legislative Council Secretariat
for the meeting on 10 November 2014**

**Public transport concessions for the elderly
and persons with disabilities**

Purpose

This paper gives a brief account of major concerns raised at meetings of the Council and the Panel on Welfare Services ("the Panel") regarding the Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities ("the Scheme").

Background

2. At present, a monthly transport supplement of \$245 is provided for recipients under the Comprehensive Social Security Assistance ("CSSA") Scheme aged between 12 and 64 with 100% disabilities and recipients of Disability Allowance ("DA") in the same age group to facilitate their integration into society.

3. In the 2011-2012 Policy Address, the Chief Executive ("CE") announced that the Administration would use public resources to facilitate the provision of fare concessions for elderly persons aged 65 or above, CSSA recipients aged between 12 and 64 with 100% disabilities and DA recipients of the same age group to travel on the general Mass Transit Railway ("MTR") lines, franchised buses and ferries at a concessionary fare of \$2 a trip on all days and at all times. The Scheme had been launched and extended by phases since 2012¹.

¹ Phase 1 of the Scheme was launched on 28 June 2012 covering MTR; Phase 2 was launched on 5 August 2012 covering four franchised bus operators (i.e. Kowloon Motor Bus, New World First Bus, Citybus and Long Win Bus) and Phase 3 was launched on 3 March 2013 covering ferries and New Lantao Bus.

Members' deliberations

Participating public transport operators

4. Some Members held the view that the Scheme should be extended to a wider range of transport operators such as trams, public light buses, bus services in Ma Wan and "kaito" services from Po Toi Island to Aberdeen. The Administration advised that it aimed to introduce the Scheme to cover the three major modes of public transportation, i.e. MTR, franchised buses and ferries in the first instance. The Scheme would be extended to green minibuses ("GMB") starting from the first quarter of 2015. The fare of \$2 per trip was proposed having regard to the existing fare concessions offered by some public transport operators on specified days. As the elderly tram fare for a single journey was currently lower than the proposed concessionary fare of \$2, the Scheme was therefore not applicable to trams. To determine whether a mode of transport could be included under the Scheme, it would be important for the Administration to consider whether the operation of that particular mode of transport had been licensed and whether the fare was regulated as the Administration had to reimburse the transport operators the fare differential on an accountable basis under the Scheme. The Administration would review whether there would be a need to extend the Scheme to other modes of public transportation after full implementation of the Scheme.

5. Given that the Scheme provided direct subsidy to the public transport operators concerned and the provision of a concessionary fare of \$2 per trip would attract more patronage, some Members took the view that the fare revenue forgone should be absorbed by the public transport operators instead. They did not see the need for the Administration to reimburse the operators concerned the fare differential between the nominal fare and concessionary fare.

Target beneficiaries of the Scheme

6. Some Members strongly urged the Administration to extend the Scheme to persons with less than 100% disabilities (e.g. loss of function of one limb), and in a broader perspective review the definition of "severely disabled" under the DA Scheme.

7. The Administration advised that the eligibility criteria for the provision of fare concession to persons with disabilities were in line with the Government's rehabilitation policy to enable persons with disabilities to lead an independent life, so that they could participate in various activities on an equal basis with others. The Administration further advised that the policy objective of non-means-tested DA was to provide financial support for the severely disabled to help them meet their special needs. Under the DA system, "severely

disabled" was defined as being medically certified to be broadly equivalent to a 100% loss of earning capacity, with reference to the percentages stipulated in Schedule 1 to the Employee's Compensation Ordinance (Cap. 282). The definition of "severely disabled" was also applicable to the means-tested CSSA Scheme. As CSSA recipients were not limited to the severely disabled, the CSSA Scheme provided different standard rates for persons with disabilities according to three categories (i.e. medically certified as 50% disabled, 100% disabled and requiring constant attendance). Special grants and supplements were also payable to CSSA recipients with disabilities. The Administration would take into account Members' concern about the term "disability" under the DA Scheme in the review of both the Scheme and the DA Scheme.

8. Concern was also raised about the ineligibility of holders of the registration card for people with disabilities ("RC") for the concessionary fares. The Administration explained that the purpose of issuing RC to persons with disabilities by the Central Registry for Rehabilitation under the Labour and Welfare Bureau was to enable the cardholder to produce, when necessary, a documentary proof of his/her disability status to facilitate the provision of prompt and appropriate assistance to them. RC was not associated with provision of any welfare benefits. The objective, target service users and eligibility threshold of RC were different from those of the DA Scheme.

9. Expressing concern about whether it would be in breach of the Disability Discrimination Ordinance ("DDO") if the provision of fare concessions was limited to persons with 100% disabilities, some Members urged the Administration to extend the scope of the Scheme to persons who were physically immobile.

10. The Administration advised that while the Scheme could rely on the exception provision in section 50 of DDO as a defence for unlawful disability discrimination under DDO, the Administration would make legislative amendments to Schedule 5 to DDO to put it beyond doubt that the provision of the proposed public transport fare concessions would not constitute a contravention of DDO.

11. Some Members held the view that the target beneficiaries of the Scheme should be extended to cover children with disabilities aged below 12. The Administration explained that children aged below 12 were already eligible for the half-fare children concessions offered by public transport operators, and eligible children could also obtain subsidy from the Student Travel Subsidy Scheme. The Administration would review the scope of the Scheme after it had been up and running smoothly and did not rule out the possibility of extending the Scheme to cover children under 12 years old with 100% disabilities.

12. At its meeting on 14 May 2012, the Panel passed a motion requesting the Government to immediately extend the Scheme to disabled children aged below 12.

Extension of the Scheme

13. In receiving the Administration's briefing on the CE's 2014 Policy Address at its meeting on 23 and 29 January 2014, the Panel noted that the Scheme would be extended to eligible children with disabilities (i.e. severely disabled children receiving CSSA or DA) under the age of 12 in the first half of 2014 and to GMB in phases starting from the first quarter of 2015. According to the Administration, these two extension plans would involve an annual expenditure of around \$176 million. Whilst welcoming the extension of the Scheme to GMB, some Members took the view that GMB, without the provision of barrier-free facilities, were not preferred transport vehicles for persons with disabilities. The Administration advised that, starting from 2015, all franchised buses would be converted into super-low floor buses to cater for the transport needs of persons with disabilities.

14. A written question was raised at the Council meeting of 15 October 2014 regarding whether the Administration would, when granting operating rights to GMB in future, consider imposing conditions to require GMB operators to join the Scheme and comply with the relevant technical, operational, accounting and auditing arrangements, with a view to eventually extending the Scheme to cover all the GMB routes. According to the Administration, existing GMB operators might participate in the Scheme voluntarily. The Transport Department ("TD") would enter into a contract with each participating operator to stipulate the specific arrangements. Since June 2014, when inviting applications for operation of GMB route packages, TD had incorporated conditions to require operators to implement the Scheme upon the introduction of service.

Evaluation of the Scheme

15. Noting that the Administration would conduct a comprehensive evaluation of the Scheme three years after its full implementation, some Members considered that the evaluation should be conducted one year after the launch of the Scheme to examine whether it should be extended to cover persons with less than 100% disabilities and elderly persons aged between 60 and 64.

16. The Administration advised that the comprehensive evaluation to be conducted in 2016 would seek to assess the long-term financial, transport and welfare implications of the Scheme. The Administration would review the scope of the Scheme, including whether it should be extended to cover other modes of public transport, after it had been up and running smoothly.

Latest development

17. The Scheme was extended to eligible children with disabilities aged below 12 on 18 May 2014. According to the Administration, TD was exploring with the trade and the Octopus Cards Limited to resolve the technical, operational, accounting and auditing problems, with a view to extending the Scheme to GMB in phases starting from the first quarter of 2015. The Administration will brief Members on the latest position at the Panel meeting on 10 November 2014.

Relevant papers

18. A list of the relevant papers on the Legislative Council website is in the **Appendix**.

Council Business Division 2
Legislative Council Secretariat
7 November 2014

Appendix

Relevant papers on public transport concessions for the elderly and persons with disabilities

Committee	Date of meeting	Paper
Panel on Welfare Services	21 October 2011 (Item I)	Agenda Minutes
Panel on Welfare Services	14 November 2011 (Item III)	Agenda Minutes
Panel on Welfare Services	12 December 2011 (Item III)	Agenda Minutes
Legislative Council	14 December 2011	Official Record of Proceedings Pages 165 to 170
Legislative Council	15 February 2012	Official Record of Proceedings Pages 69 to 81
Legislative Council	29 February 2012	Official Record of Proceedings Pages 69 to 78
Panel on Welfare Services	14 May 2012 (Item IV)	Agenda Minutes
Panel on Welfare Services	29 May 2012 (Item II)	Agenda Minutes
Legislative Council	23 October 2013	Official Record of Proceedings Pages 107 to 119
Panel on Welfare Services	23 January 2014 (Item II)	Agenda Minutes

Panel on Welfare Services	29 January 2014 (Item I)	Agenda Minutes
Legislative Council	15 October 2014	Question 19

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