

For Discussion  
on 11 January 2021

## **Legislative Council Panel on Welfare Services**

### **The Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities**

#### **Purpose**

This paper briefs Members on the review progress and latest development of the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (\$2 Scheme).

#### **Background**

2. The \$2 Scheme has been implemented since 2012 with the policy objective of building a caring and inclusive society in Hong Kong by allowing elderly persons aged 65 or above and eligible persons with disabilities to travel on specified public transport modes at a concessionary fare of \$2 per trip. Beneficiaries of the \$2 Scheme include persons who have reached the relevant age threshold and eligible persons with disabilities. They are not subject to any means tests. 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 \$2 Scheme currently covers most of the public transport modes, including general lines of the Mass Transit Railway (MTR), franchised buses, ferries and green minibuses which account for 88 per cent of the overall public transport journeys in 2019. In 2019, the total number of eligible beneficiaries under the \$2 Scheme was over 1.49 million, while the total number of journeys undertaken by eligible beneficiaries amounted to around 472.5 million.

#### **Review Progress and Latest Development of \$2 Scheme**

3. Since the \$2 Scheme was introduced in 2012, the number of the elderly persons aged 65 or above has increased from 980 000 to 1.32 million in 2019, representing an increase of about 35 per cent. The recurrent expenditure for reimbursing the PTOs under the \$2 Scheme reached \$1,300

million in 2019/20, or 5.7 times over 2012. The Government estimates that the number of the elderly persons aged 65 or above will rise further to more than 1.75 million by 2025. Given the trend of an ageing population in Hong Kong, the public expenditure for the \$2 Scheme is expected to increase substantially. To ensure that public funds are used properly, the Government needs to give serious consideration to measures that can prevent abuses of the \$2 Scheme effectively. The comprehensive review of the \$2 Scheme 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. The livelihood initiatives announced by the Chief Executive (CE) in January 2020 included the proposal of lowering the eligible age of the \$2 Scheme from 65 to 60, which was proposed on the premise that the long-term fiscal position of the Government could steadily support the initiative. The Government would formally reveal the review report and the implementation timetable of the measures endorsed after the review of the \$2 Scheme is completed and implications on relevant aspects are fully considered, including the need for the Government to assess carefully the anti-abuse measures recommended in the consultant's report, as well as the feasibility, detailed arrangements, timing of implementation, financial assessment, etc. of the improvement measures.

4. In fact, elderly persons aged 65 or above are using anonymous Elder Octopus cards or personalised Octopus cards to enjoy benefits under the \$2 Scheme. According to available information, in 2019, there were about 3.6 million anonymous Elder Octopus cards and about 0.4 million personalised Octopus cards registered by elderly persons aged 65 or above. The number of cards increases by about 0.35 million per year, whilst there were only 1.32 million elderly persons aged 65 or above in 2019 and the annual increase of the elderly in this age group is only around 50 000.

5. 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 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.

During the same period, there were respectively 21, 25 and eight prosecutions instituted by the MTR Corporation Limited with 28, 17 and 21 cases convicted<sup>1</sup>.

6. The CE announced in the Policy Address on 25 November 2020 that the Government has largely completed the internal assessment, and on the premise of being able to combat and prevent abuse effectively, the Government will include the required funding in the 2021-22 Budget with a view to progressive implementation within that financial year.

**Labour and Welfare Bureau**  
**Transport Department**  
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<sup>1</sup> Prosecution cases instituted each year may not have their trials/legal proceedings completed in the same year, and their court rulings may be given in the following year. Hence, there may be more convicted cases than prosecution cases in a year.