

For discussion on
11 March 2008

**Subcommittee to Study the Transport Needs of and
Provision of Concessionary Public Transport Fares for
Persons with Disabilities**

**Transport Supplement for a Specific Group of
Persons with Disabilities**

Purpose

The Financial Secretary announced in his Budget Speech on 27 February 2008 a proposal to provide transport supplement to a specific group of persons with disabilities (PWDs). This paper informs Members of the details of the proposal. Following consultation with the Subcommittee, we plan to seek the Finance Committee's (FC's) approval for the proposal at its meeting on 9 May 2008.

The proposal

2. To further encourage PWDs to participate in activities away from home, the Financial Secretary announced in his Budget Speech on 27 February 2008 a proposal to provide a monthly supplement of \$200 each to recipients under the Comprehensive Social Security Assistance (CSSA) Scheme aged between 12 and 64 with 100% disability¹ and recipients of Disability Allowance (DA) in the same age group starting from 2008-09.

Justification

3. To meet the basic transport needs of PWDs, all along the Government has, in addition to the provision of Rehabus service, provided PWDs with financial assistance through the CSSA scheme and DA payment.

4. On Rehabus service, the Rehabus fleet currently comprises 101 vehicles, providing 63 scheduled routes, three feeder routes and Dial-a-Ride service. In the coming year, the Government will allocate \$22

¹ Recipients under the CSSA Scheme with 100% disability include those PWDs requiring constant attendance.

million to acquire eight new buses and replace 24 old ones, thereby increasing the number of Rehabuses to 109. To alleviate PWDs' burden in transport expenses, the Government at present subsidises up to 80% of the operating costs of the Rehabus service, amounting to an annual cost of \$32 million.

5. As to DA, it is provided to recipients on a non-means-test basis. Normal and Higher DA amount to \$1,170 and \$2,340 respectively per month. Depending on their degree of disability, the monthly standard rate of PWD recipients of CSSA ranges from \$1,820 to \$4,335. Total government expenditure in this respect for 2008-09 is estimated at about \$7 billion. In tandem, the Government has, in consultation with the Legislative Council (LegCo), PWD groups and public transport operators, continued to explore further ways in meeting the transport needs of PWDs more effectively.

6. This Subcommittee was formed in December 2005 under the LegCo House Committee to follow up on the transport needs and the provision of concessionary public transport fares for PWDs. Following rounds of discussion and listening to the views of PWD groups and public transport operators, the Subcommittee has explicitly requested that concessionary fares should be provided as soon as possible to recipients of CSSA with 100% disability and recipients of DA.

7. The Government agrees that the provision of financial assistance to PWDs to supplement their transport expenditure will help encourage PWDs to participate more in activities away from home, thereby enhancing their contact with and integration into the society. Having carefully considered views expressed by the Subcommittee and parties concerned, and having regard to funding constraints and competing priorities for rehabilitation services, the Government proposes that an additional sum of \$230 million be allocated annually to provide transport supplement directly to CSSA recipients aged between 12 and 64² with 100% disability and DA recipients in the same age group. This will help alleviate their transport expenditure and serve to encourage them to participate more in activities away from home, thereby facilitating their integration into society.

8. On the operational side, the Government will effect payment of the transport supplement through the existing CSSA and Social Security Allowance (SSA) payment system. In practice, we shall pay the transport supplement together with CSSA or DA into the recipients' bank accounts direct, so that recipients may decide on their own as to how best to make use of the additional supplement having regard to individual needs.

² We propose that recipients of the supplement be confined to those aged between 12 and 64 for the reason that key transport operators are already offering fare concessions to children aged 11 or below and senior citizens aged 65 or above.

9. We see a number of merits in this proposal. First, the Subcommittee has, after rounds of deliberations, agreed that having regard to their degree of disability and financial situation, recipients of CSSA with 100% disability and recipients of DA are those in most need of assistance and encouragement. As at September 2007, there were 96 000 PWDs aged between 12 and 64 in this identified group. This group of PWDs generally does not enjoy any concessionary public transport fares. According funding priority through dedicated resources to supplement their transport needs is not only in line with our established welfare policy objective of helping those mostly in need, it also meets the Subcommittee's request for providing as soon as possible transport supplement to the PWDs concerned. Secondly, the provision of transport supplement is the most flexible arrangement in meeting the different transport needs of PWDs. As the supplement will be paid directly into the recipients' bank accounts, the PWDs concerned are free to decide how to make the best use of the additional supplement to meet their transport needs having regard to individual circumstances. Furthermore, as this proposal does not directly involve any other organisations, it can be implemented within a short lead-time after securing funding approval, and the PWDs concerned may enjoy the benefits soonest possible. Lastly, as payments are to be effected through our existing CSSA and SSA payment system, the daily administrative costs could be reduced to the minimum. This will ensure that all the additional allocations will be directly used to benefit PWDs.

10. As regards the implementation timetable, following consultation with the Subcommittee, we plan to submit the proposal to FC for approval on 9 May 2008. Subject to FC's approval, we intend to effect payment of the transport supplement with effect from 1 July 2008 so that eligible recipients may receive the supplement as early as possible. The rate of transport supplement will be adjusted according to the movement of the Social Security Assistance Index of Prices.

Advice sought

11. Members are invited to note and support the above proposal on providing transport supplement to PWDs.