

立法會
Legislative Council

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**Panel on Welfare Services and
Panel on Transport**

**Minutes of joint meeting
held on Tuesday, 29 June 2010, at 4:30 pm
in the Chamber of the Legislative Council Building**

Members present : Members of the Panel on Welfare Services

- * Hon WONG Sing-chi (Chairman)
- Hon CHEUNG Kwok-che (Deputy Chairman)
- Hon Albert HO Chun-yan
- Hon LEE Cheuk-yan
- Hon LEUNG Yiu-chung
- Hon TAM Yiu-chung, GBS, JP
- * Hon LI Fung-ying, BBS, JP
- * Hon Ronny TONG Ka-wah, SC
- Dr Hon PAN Pey-chyou
- Hon Alan LEONG Kah-kit, SC

Members of the Panel on Transport

Hon CHEUNG Hok-ming, GBS, JP (Chairman)
Hon Andrew CHENG Kar-foo (Deputy Chairman)
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon LAU Kong-wah, JP
Hon WONG Kwok-hing, MH
Hon LEE Wing-tat
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon KAM Nai-wai, MH
Hon Mrs Regina IP LAU Suk-yee, GBS, JP

Members absent : Members of the Panel on Welfare Services

Hon Frederick FUNG Kin-kee, SBS, JP

Hon Paul CHAN Mo-po, MH, JP

Dr Hon LEUNG Ka-lau

Hon WONG Kwok-kin, BBS

* Hon IP Wai-ming, MH

* Hon LEUNG Kwok-hung

* Hon Albert CHAN Wai-yip

Members of the Panel on Transport

Hon Miriam LAU Kin-ye, GBS, JP

Hon Abraham SHEK Lai-him, SBS, JP

Hon Tommy CHEUNG Yu-yan, SBS, JP

(* Also members of the Panel on Transport)

Public officers attending : Item II

Mr Stephen SUI

Commissioner for Rehabilitation

Miss Janet WONG

Principal Assistant Secretary for Transport and Housing

(Transport)

Mr LEE Man-ho

Chief Transport Officer / Disabled Transport

Transport Department

Attendance by invitation : Item II

The Kowloon Motor Bus Company (1933) Limited /
Long Win Bus Company Limited

Mr Evan AU YANG

Deputy Managing Director

Ms Winnie HO

Corporate Affairs Director

Citybus Limited/New World First Bus Services Limited

Mr Samuel CHENG
Managing Director

Mr William CHUNG
Head of Operations

New Lantao Bus Co. (1973) Ltd.

Mr Peter MOK
Director

Hong Kong Federation of the Blind

Ms HO Suet-fun
Chairman

Disability Alliance on Concessionary Transport Fare

Mr CHAN Kam-yuen
Convenor

Hong Kong Blind Union

Mr TAM Sai-kit
Executive Officer

Christian Family Service Centre Integrated
Rehabilitation Service

Mr CHUNG Shing-bun
Member

Clerk in attendance : Miss Betty MA
Chief Council Secretary (2) 4

Staff in attendance : Ms Joanne MAK
Chief Council Secretary (1) 2

Ms Sarah YUEN
Senior Council Secretary (1) 6

Ms Yvonne YU
Senior Council Secretary (2) 5

Miss Angela LAM
Legislative Assistant (1) 5

Miss Maggie CHIU
Legislative Assistant (2) 4

Action

I. Election of Chairman

Mr WONG Sing-chi was elected Chairman of the joint meeting.

II. Concessionary public transport fares for persons with disabilities

[LC Paper Nos. CB(1)2328/09-10(01) to (03), CB(1)2372/09-10(01) and CB(2)1919/07-08]

2. At the Chairman's invitation, Ms HO Suet-fun, Chairman of the Federation of the Blind said that groups of persons with disabilities ("PWDs") were disappointed at the lack of progress in the discussion between the Administration and franchised bus operators on the provision of concessionary fares for PWDs, although the subject had been raised for almost ten years. Instead of encouraging public transport ("PT") operators to favourably consider offering fare concessions to PWDs, the Administration should take active measures to pursue with the matter. They strongly requested that consideration should be given to offering 50% fare concessions by PT operators to PWDs to enhance their integration into society.

3. Pointing out that the Kowloon Motor Bus Company (1933) Limited ("KMB") had made a huge profit from the sale of properties in 2009, Mr TAM Sai-kit, Executive Officer of the Hong Kong Blind Union appealed to KMB to, as a starting point, offer a fare discount of 50% to PWDs for one year. A review to assess the long-term feasibility of the fare concessions could be conducted in the light of the financial implications on KMB.

4. Mr CHUNG Shing-bun of the Christian Family Service Centre Integrated Rehabilitation Service urged the franchised bus operators to offer a fare discount of 50% to PWDs on a one-year pilot basis as soon as possible, to be followed by a review to assess the financial implications of the fare concession scheme.

5. Mr CHAN Kam-yuen, Convenor of the Disability Alliance on Concessionary Transport Fare said that according to the Special Topics Report No. 48 published by the Census and Statistics Department in December 2008, public bus was the principal mode of transportation of PWDs to/from workplace and going out for medical consultation/treatment. The provision of concessionary fare to PWDs would incur little cost and might even bring

Action

additional revenue to franchised bus operators as PWDs were usually accompanied by carers. Mr CHAN further said that since the MTR Corporation Limited ("MTRCL") had offered about 50% fare discount to holders of Personalised Octopus cards with PWD status, no operational difficulty was encountered. He strongly appealed to the PT operators to model on MTRCL's experience and offer fare concessions to PWDs on a one-year pilot in order to fulfill their corporate social responsibility.

6. In response to the deputations' views, Commissioner for Rehabilitation ("C for R") advised that the Administration was mindful that the financial burden arising from transport expenses might reduce the opportunities and incentive of PWDs with lower financial capacity to go out for activities. Hence, the Government appreciated that the provision of financial assistance would enhance their integration into society. To this end, a monthly transport supplement of \$210 had been provided under the welfare programme to recipients of Disability Allowance ("DA") aged between 12 and 64, and recipients under the Comprehensive Social Security Assistance ("CSSA") Scheme in the same age group with 100% disability since July 2008. In addition to existing measures in meeting the basic transport needs of PWDs, the purpose of providing transport supplement was to encourage PWDs to participate in activities away from home, thereby facilitating their integration into society. In 2009-2010, the number of recipients for transport supplement was 114 757 while the total expenditure amounted to \$275 million. The estimated expenditure in 2010-2011 was \$293 million.

7. C for R said that to build an inclusive society, cross-sectoral collaboration in providing a barrier-free environment to facilitate the integration of PWDs was necessary. Through the provision of transport supplement, the Government had taken an important step forward in helping PWDs integrate into society. The Government hoped that PT operators would favourably consider offering fare concessions to PWDs, having regard to their operational circumstances and economic environment, in order to fulfill their corporate social responsibility and work together towards building an inclusive society. C for R further said that MTRCL had launched a fare concession scheme since 22 December 2009 for recipients of CSSA with 100% disability aged 12 to 64 and recipients of DA of the same age group. To facilitate the implementation of the fare concession scheme, the Labour and Welfare Bureau, in response to the request of MTRCL, had revised Schedule 5 to the Disability Discrimination Ordinance ("DDO") in order to ensure that the fare concession scheme would not constitute a contravention of DDO. The Social Welfare Department had also provided full support for verifying the relevant particulars of the applicants for fare concessions.

Action

8. C for R added that if other PT operators were willing to offer fare concessions to PWDs and required the support of the Government in the provision of data on PWDs and verification of the relevant particulars of the applicants, the Administration would be pleased to provide the required assistance where appropriate.

9. Principal Assistant Secretary for Transport and Housing (Transport) ("PAS(T)") advised that the former Subcommittee to Study the Transport Needs of and Provision of Concessionary Public Transport Fares for Persons with Disabilities ("the Subcommittee"), which was formed in November 2005, had discussed thoroughly issues relating to the provision of concessionary PT fares to PWDs. The Administration had since called on the PT operators to provide concessionary fares to PWDs. The MTRCL had started offering fare concessions to PWDs who were recipients of CSSA aged between 12 and 64 with 100% disability and recipients of DA in the same age group since 22 December 2009. These PWDs holding Personalised Octopus cards with "Persons with Disabilities Status" could enjoy fare discount of about 50% on all MTR commuter lines (except the Airport Express), Light Rail routes and MTR Bus services. This apart, major PT operators were providing passengers with various fare concessions, including fare concessions for children/elderly/student/PWDs.

10. PAS(T) said that in line with the spirit of free enterprise, the provision of fare concessions was a commercial decision of individual PT operators. The Government was mindful of the need for the operators to keep their fares at reasonable levels while maintaining their operational and financial capabilities to provide proper and efficient PT services. If the Administration mandated the PT operators to provide specific types of fare concessions for specific groups of passengers, the financial impact on the operators would eventually be reflected in the basic fares. Nevertheless, the Administration had been encouraging PT operators to introduce fare concessions as far as possible to help reduce travelling expenses of all passengers (including PWDs), taking into account various factors including the overall economic environment of the society, market conditions, operating conditions of the PT operators and the needs of passengers. PAS(T) further said that the issue of introducing fare concessions to PWDs had been discussed at the December 2009 and April 2010 meetings of the Working Group on Access to Public Transport by People with Disabilities, which was a platform for PWD groups, PT operators and relevant government bureaux and departments to work together for improving the PT services for PWDs. The franchised bus operators remained reserved with the issue of introducing fare concessions to PWDs, and stated that they would not provide fare concessions tailor-made for PWDs on top of existing concessions which were open to all passengers because of the significant financial implications.

Action

11. At the invitation of the Chairman, representatives of PT operators expressed their views on deputations' request. Deputy Managing Director of KMB/Long Win Bus Company Limited ("DMD(KMB/LWB)") said that KMB had maintained dialogue with the PWD community and noted their request for concessionary fares. KMB had since 2007 stated that it would consider offering fare concessions to PWDs provided that the Administration would reimburse to them the discrepancy in revenue between normal fare and concessionary fare charged to PWDs. He hoped members and deputations would appreciate that KMB was obliged to exercise prudent commercial principles in operation, keep fares at reasonable levels while maintaining effective and efficient services at the same time. On the suggestion by deputations to implement a fare discount of 50% to PWDs on a one-year pilot basis, he said that KMB's proposed reimbursement arrangement could also be adopted for a one-year trial. Referring to the earlier remarks made by a deputation on KMB's profit in 2009, DMD(KMB/LWB) clarified that KMB did not engage in property development business. The property development projects as mentioned by the deputation were under the purview of another subsidiary of Transport International Holdings Limited (TIH), the parent company to which KMB also belonged to and there was no cross-subsidization between subsidiaries. The revenue received by other subsidiaries of TIH could not be used to finance the operations of KMB, just as KMB could not finance the operations of other TIH subsidiaries.

12. Mr LEE Cheuk-yan said that PT operators had previously informed the Subcommittee that they would consider offering fare concessions to PWDs, if MTRCL acceded to the request for fare concessions. He considered that the need to operate according to commercial principles was an excuse to refuse to take forward the proposal of offering fare concessions. As rightly pointed out by the Disability Alliance on Concessionary Transport Fare, the provision of concessionary fare to PWDs would not incur much extra cost and might even bring additional revenue to franchised bus operators as PWDs were usually accompanied by carers. In his view, PT operators should fulfill their corporate social responsibility by offering fare concessions to PWDs.

13. At the invitation of Mr LEE Cheuk-yan, DMD(KMB/LWB) elaborated on the rationale and details of its proposal of reimbursing revenue foregone to PT operators. DMD(KMB/LWB) said that according to the findings of a survey on the travelling characteristics of PWDs conducted by the University of Hong Kong ("HKU") from September to October 2006 ("the Survey") which was commissioned by the then Health, Welfare and Food Bureau, it was revealed that the weekly cashflow of bus operators would be reduced if fare concessions were offered to PWDs. This was because half of the PWD respondents were already bus users, and the fare concessions would not attract many new users to compensate for the loss in revenue. DMD(KMB/LWB) said that following up on the request for concessionary fares to PWDs, KMB had counter-proposed that the Administration should reimburse to PT operators the difference between normal fare and concessionary fare after PWDs had used PT services and enjoyed

Action

half fare. The advantage of the reimbursement option lay in its simplicity, which could be implemented in a short period of time and offer immediate benefit to PWDs.

14. Managing Director of Citybus Limited/New World First Bus Services Limited ("MD(CB/NWFB") said that the provision of concessionary fares to PWDs was a welfare issue and the necessary funding should be borne by the Government. He shared the views of KMB that fare concessions would be offered to PWDs provided that the Administration would reimburse to PT operators the discrepancy in revenue between normal fare and concessionary fare charged to PWDs.

15. Director of New Lantao Bus Co. (1973) Ltd. ("D(NLB)") said that as compared with the other two franchised bus operators, the revenue of NLB was fluctuating according to seasonal demand. Given that the company's account was in red over the past ten years, it was not financially capable of offering fare concessions to PWDs even if other PT operators did so.

16. Noting that the profit of KMB in 2009 amounted to \$360 million and that the cost of offering fare concessions to PWDs would cost over \$200 million per annum, Mr LEUNG Yiu-chung considered that KMB was financially capable of offering fare concessions to PWDs. Given that MTRCL had started offering fare concessions to PWDs since 22 December 2009, he strongly appealed to the PT operators to follow suit. Mr LEUNG then enquired the estimated financial implications on KMB if a 50% fare discount was offered to PWDs.

17. Pointing out that the Administration's total expenditure on the transport supplement amounted to \$275 million in 2009-2010, DMD(KMB/LWB) stressed that the financial implications of offering fare concessions to PWDs would be significant. He then drew members' attention to the Chief Secretary for Administration ("CS")'s reply to the Chairman of the Subcommittee in June 2007. In the reply, CS had clarified the Administration's position that the provision of concessionary fares to PWDs was not a transport policy matter, and took the view that if there was a case to provide fare concessions to PWDs, it would be funded from the welfare programme.

18. Mr WONG Kwok-hing took the view that the Administration should assume an overall policy responsibility of providing fare concessions to PWDs. In taking this forward, the Administration should consider stipulating in the franchise of individual bus operators the requirements of offering fare concessions to PWDs. The Administration should also allocate more resources for the provision of transport supplement to PWDs.

Action

19. C for R said that it had all along been the objective of the Government's rehabilitation policy to provide suitable support and necessary facilities to PWDs to help them develop their potentials so that they could participate in various activities on an equal basis with others, thereby facilitating their full integration into society. He reiterated that a monthly transport supplement of \$210 had been provided to recipients of DA aged between 12 and 64, and recipients under CSSA Scheme in the same age group with 100% disability since July 2008. In 2009-2010, the total expenditure for transport supplement amounted to \$275 million and the estimated expenditure in 2010-2011 was \$293 million. Through the provision of transport supplement, the Government had taken an important step forward in helping PWDs integrate into society. Given that MTRCL had launched the fare concession scheme since 22 December 2009 on its own accord and without recurrent Government subsidy, the Administration believed that other PT operators could, have regard to their operational circumstances and economic environment, consider offering fare concessions to PWDs to fulfill their corporate social responsibility.

20. PAS(T) explained that it had been the Government's objective of providing a barrier-free transport system for all, including PWDs, from the transport policy perspective. From the welfare perspective, the Government had been providing various sources of assistance to take care of the basic transport needs of PWDs. As PT operators were operating in accordance with prudent commercial principles, it was inappropriate to require them to offer concessionary fares to specific groups of passengers. Since the provision of fare concessions to PWDs might result in a general fare increase, PT operators would need to consider the impact of the fare increases on the travelling public. She added that the transport supplement was the most practical and flexible arrangement. As it would be paid directly into the recipients' bank accounts, PWDs concerned were free to decide how to make the best use of the additional supplement to meet their transport needs having regard to individual circumstances.

21. Mr Ronny TONG held the view that as far as the provision of concessionary PT fares to PWDs was concerned, the Government should assume greater responsibility than the corporate social responsibility of individual PT operators. Having said that, he was disappointed that both the Government and the franchised bus operators shirked their responsibilities in the matter. He took the view that the Government and the franchised bus operators should set out the financial implications arising from the provision of half-fare concessions to PWDs so as to convince members that the reimbursement option was financially infeasible.

22. Mr CHEUNG Kwok-che asked whether KMB would consider making reference to MTRCL's arrangement and providing fare concessions to PWDs in fulfilling their corporate social responsibility. DMD(KMB/LWB) reiterated that KMB had made clear and remained of the position that KMB would consider offering fare concessions to PWDs provided that the Administration would

Action

reimburse to them the discrepancy in revenue between normal fare and concessionary fare charged to PWDs. KMB had been fulfilling its corporate social responsibility via many social service-oriented activities and fleet improvement initiatives, including continuously enhancing accessibility of its fleet to cater for the transport needs of PWDs. To illustrate, KMB had spent some \$700 million on super-low floor buses.

23. Mr CHEUNG Hok-ming expressed concern that the franchised bus operators were unwilling to provide concessionary fares to PWDs despite the efforts made by members and the disability community. In the light of deputations' request for provision of half-fare concessions to PWDs, Mr CHEUNG wondered if the Government and the franchised bus operators were willing to jointly offer half-fare concessions to PWDs by, say, pursuing with the reimbursement option. In his view, the Administration should devise a concrete timetable in the provision of fare concessions to PWDs.

24. Dr PAN Pey-chyou considered that the reimbursement option warranted further study. To effect the proposal, the Government and the franchised bus operators could consider sharing equally the difference between the normal fare and concessionary fare charged to PWDs.

25. DMD(KMB/LWB) reiterated KMB's position that it would consider offering fare concessions to PWDs if the Administration would reimburse to them the discrepancy in revenue between normal fare and concessionary fare charged to PWDs. MD(CB/NWFB) said that while it was Government's responsibility to implement welfare programme, CB/NWFB would be willing to further discuss the issue of introducing fare concessions to PWDs in the light of corporate social responsibility. D(NLB) said that NLB would consider the reimbursement option having regard to its financial position.

26. C for R said that the Administration had already provided special transport subsidy to PWDs under the welfare programme through the provision of monthly transport supplement. Through the provision of direct transport supplement to PWDs, PWDs could make use of the transport supplement flexibly to meet their specific transport needs. The Administration would need to carefully consider whether it would be appropriate to change the existing mode of transport subsidy for PWDs.

27. PAS(T) said that as PWDs had just been provided with a monthly transport supplement since 2008, the Administration would review the operational experience and assess the effectiveness of this scheme in meeting the basic transport needs of PWDs. In the meantime, the Administration would continue to encourage PT operators to introduce fare concessions to PWDs as far as possible.

Action

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28. In concluding the discussion, the Chairman strongly urged the franchised bus operators to consider offering half-fare concessions to PWDs. To facilitate members' future deliberations, the Chairman requested the Transport and Housing Bureau to coordinate with the franchised bus operators to gather information on the projected financial implications of the proposal of offering half-fare concessions to PWDs on the operation of franchised bus operators after the meeting. The Chairman added that the Panel on Transport and the Panel on Welfare Services might wish to follow up the matter in the next legislative session, if considered necessary.

III Any other business

29. There being no other business, the meeting ended at 5:38 pm.

Council Business Division 2
Legislative Council Secretariat
19 October 2010