

For information

Legislative Council Panel on Financial Affairs

**Follow-up actions arising from the discussion at
the meeting on 7 December 2020**

**Agenda Item III — Briefing by the Financial Secretary on
Hong Kong’s latest overall economic situation and
2021-2022 Budget consultation**

The Financial Secretary attended the meeting of the Panel on Financial Affairs of the Legislative Council (“LegCo”) on 7 December 2020 to brief Members on Hong Kong’s latest overall economic situation and consult Members on the 2021-2022 Budget. At the meeting, some Members raised enquiries as to the financial implication of the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (“the Concession Scheme”) and would like the Government to provide more details.

2. The Concession Scheme has been implemented since 2012, enabling elderly aged 65 or above and eligible persons with disabilities to travel on designated public transport modes at a concessionary fare of \$2 per trip. The Government announced in January this year that the eligible age of the Concession Scheme would be lowered from 65 to 60 (“the new measure”). As regards the financial implication of the Concession Scheme and new measure, the Secretary for Labour and Welfare (“SLW”) provided details of the relevant estimate when responding to Members’ questions at the meeting of the LegCo on 8 July 2020. The relevant content is extracted as follows for reference:

“Since the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (the Scheme) was introduced in 2012, the number of eligible elderly persons has increased from 980,000 to 1.32 million in 2019, representing an increase of about 35 per cent. Having considered the trend of an ageing population in Hong Kong, the Government expects the number of eligible elderly to rise further to more than 1.75 million by 2025. At the same time, the recurrent expenditure for reimbursing public transport operators under the Scheme reached \$1,300 million in 2019/20, or 5.7 times over 2012. The recurrent expenditure is expected to

increase substantially to about \$3,000 million in 2025/26. Taking into account the proposal to lower the eligible age of the Scheme to 60, the number of eligible persons in 2025 will increase by about 620,000 and on this basis, the estimated recurrent expenditure required is expected to be as high as \$7,000 million in 2025/26.

The estimated government expenditure mentioned above has not covered the proposal from relevant industries of extending the Scheme to red minibuses and other modes of public transport.”

3. In addition, SLW already provided an update on the latest development of the new measure when responding to Members’ questions at the meeting of the LegCo on 16 December 2020.

**Financial Secretary’s Office
December 2020**