

**立法會**  
**Legislative Council**

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**Panel on Welfare Services**

**Subcommittee on Issues Relating to the Silver Age Card**

**Background brief prepared by the Legislative Council Secretariat  
for the meeting on 16 July 2021**

**Incorporating persons aged 60 to 64 under  
the Government Public Transport Fare Concession Scheme  
for the Elderly and Eligible Persons with Disabilities**

**Purpose**

This paper provides background information and gives an account of past discussions of the Panel on Welfare Services ("the Panel") and the Subcommittee on Issues Relating to the Silver Age Card ("the Subcommittee") formed under the Panel on incorporating persons aged 60 to 64 ("new beneficiaries") under the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities ("the Fare Concession Scheme").

**Background**

2. The Fare Concession Scheme has been implemented since 2012 under the policy objective of building a caring and inclusive society in Hong Kong by enabling persons aged 65 or above and eligible persons with disabilities<sup>1</sup> to travel on designated public transport modes at a concessionary fare of \$2 per trip<sup>2</sup>. At present, there are around 1.49 million eligible beneficiaries, of whom around 1.32 million are persons aged 65 or above and around 170 000

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<sup>1</sup> Eligible persons with disabilities are persons aged below 65 with 100% disabilities receiving Comprehensive Social Security Assistance and recipients of Disability Allowance in the same age group.

<sup>2</sup> If the original fare for a journey is below \$2, beneficiaries only need to pay the original fare.

are eligible persons with disabilities. Under the Fare Concession Scheme, the Administration reimburses specified public transport operators<sup>3</sup> 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. In 2019-2020, the reimbursement of the revenue forgone to the participating public transport operators was \$1.27 billion.<sup>4</sup>

3. The Administration engaged a consultancy firm in 2018 to conduct a comprehensive review of the effectiveness and fiscal sustainability of the Fare Concession Scheme having regard to the ageing demographic trend, operation of public transport, effectiveness of anti-abuse measures, public aspirations and the Government's overall fiscal affordability, etc. Following the announcement by the Chief Executive in January 2020 of the proposal to lower the age eligibility of the Fare Concession Scheme from 65 to 60, the Labour and Welfare Bureau and the Transport Department ("TD") had requested the consultant to accord priority to studying practical options to implement the proposal in the review. Upon receipt of the consultant's report, the Administration would consider carefully the feasibility, detailed arrangements, timing of implementation, financial assessment and so on of the improvement measures proposed therein.

4. The Administration announced on 12 January 2021 the completion of the final report by the consultant<sup>5</sup> and the implementation of the enhancement and anti-abuse measures under the Fare Concession Scheme which included implementing the lowering of the eligible age on the strict condition that the new beneficiaries had to apply for and use tailor-made Personalized Octopus Cards ("P-Cards") with photo and age eligibility as a prerequisite for benefitting from the concessionary fare; and extending the mandatory requirement of using P-Cards to all existing beneficiaries aged 65 and above in the following two years upon completion of the issue of P-Cards to the new beneficiaries. The lowering of the eligible age of the Fare Concession Scheme and other enhancement measures<sup>6</sup> might be progressively implemented from the first quarter of 2022. According to the

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<sup>3</sup> The services of these specified public transport operators currently being covered by the Fare Concession Scheme include general lines of the Mass Transit Railway, general franchised bus services, regular franchised and licensed ferry routes and green minibus services.

<sup>4</sup> The respective amount of reimbursement of the revenue forgone to the MTR Corporation Limited, the franchised bus operators, ferry operators and green minibus operators was \$341.7 million, \$541.1 million, \$29.6 million and \$362.5 million.

<sup>5</sup> See [LC Paper No. CB\(2\)651/20-21\(01\)](#).

<sup>6</sup> The Fare Concession Scheme would be extended to red minibuses, kaitos and tramways on the condition of their strict compliance with TD's monitoring conditions prior to their admission.

Administration, the Government's estimated expenditure on reimbursement of the revenue forgone to the participating public transport operators is \$2.744 billion in 2021-2022, including the differential fare reimbursable in the year in respect of beneficiaries aged 65 or above and eligible persons with disabilities and the differential fare reimbursable in the first quarter of 2022 upon the enhancement of the Fare Concession Scheme. The non-recurrent commitment mainly for progressive implementation of tailor-made P-Cards for beneficiaries is \$208 million.

### **Deliberations of the Panel and the Subcommittee**

5. Issues relating to the incorporation of the new beneficiaries under the Fare Concession Scheme were discussed by the Panel and the Subcommittee in 2021. The major deliberations and concerns of members are summarized in the ensuing paragraphs.

#### Timetable for lowering the eligible age of the Fare Concession Scheme

6. Noting that the proposal of lowering the age threshold for the Fare Concession Scheme would not be implemented until the first quarter of 2022, members expressed dissatisfaction that the Administration needed more than two years to take forward the measure since the Chief Executive announced the initiative in January 2020. They cast doubt about the long lead time required by the Administration and the Octopus Cards Limited for the development and issue of the P-Card to new beneficiaries under the Fare Concession Scheme. At the meeting on 11 January 2021, the Panel passed a motion ("the motion") requesting, among other things, that the Government should implement the lowering of the eligible age of the Fare Concession Scheme in the middle of this year.

7. The Administration explained that the lowering of the eligible age of the Fare Concession Scheme involved system development, orderly processing of applications from the some 600 000 new beneficiaries and issue of the tailor-made P-Cards. The plan of the Administration was that application for the tailor-made P-Cards would start around July 2021. It aimed to implement progressively the lowering of the eligible age of the Fare Concession Scheme and other enhancement measures from the first quarter of 2022.

### Enhancement of anti-abuse measures

8. Members noted that at present, persons aged 65 or above could use anonymous Elder Octopus or P-Cards to enjoy the concession. Noting that the number of anonymous Elder Octopus Cards issued far outnumbered the number of eligible beneficiaries under the Fare Concession Scheme, members were concerned about whether the Administration would put in place other anti-abuse measures in addition to the issue of P-Cards (e.g. stepping up ticket inspection and enforcement and raising the penalty level) in tandem with the lowering of the eligible age of the Scheme to 60. The Administration was requested under the motion passed by the Panel on 11 January 2021 to, inter alia, adopt administrative measures and strengthen enforcement actions to eradicate the abuse of the Fare Concession Scheme.

9. According to the Administration, TD had requested the participating public transport operators to strengthen ticket inspection and passenger identity verification work, and to strictly enforce the penalty as set out in the relevant legislation and by-laws to prevent abuse. TD had further arranged field surveys to monitor the situation. Public transport operators had also enhanced publicity and reminded passengers to honestly tender the fares payable. Non-eligible passengers who were found travelling at the concessionary fare were required to pay a surcharge and/or the shortfall. Depending on the circumstances, public transport operators might initiate prosecutions or refer individual cases to the Police for follow-up action. Separately, TD had launched publicity programmes in March 2021 to raise public awareness of not abusing the Fare Concession Scheme, and would continue to request the participating public transport operators to step up ticket inspection and passenger identity verification work.

### Extending the coverage of the Fare Concession Scheme

10. Members called on the Administration to extend the Fare Concession Scheme to cover more public transport modes. The Administration advised that the consultant had recommended to extend the Scheme to red minibuses and kaitos on the condition of their strict compliance with TD's monitoring conditions prior to their admission, including registration with the department of origin and destination of the routes and fares, installation of an Octopus payment system on admitted routes to ensure adherence to pre-set registered fares for calculating reimbursement of differential fares, as well as compliance with its regular reporting and audit requirements. The above apart, the consultant had suggested that upon lowering the eligible age of the Fare Concession Scheme to 60, the Administration should extend the Scheme to the tramways on the condition that Hong Kong Tramways Limited would adhere to the standard requirements under the Scheme

(i.e. participating public transport operators would only be reimbursed the difference between the full adult fare and the \$2 flat rate).

11. On some members' suggestion of including residents' buses in the Fare Concession Scheme, the Administration advised that residents' services primarily served property owners and residents of specific private residential developments with the fares being determined on the basis of the mutual agreement of the operators concerned and the owners or residents groups of relevant properties. It would not cover residents' services under the Fare Concession Scheme.

### **Latest developments**

12. The Administration announced on 30 June 2021 that it would launch the enhancement and anti-abuse measures of the Fare Concession Scheme on 27 February 2022. To enjoy the concessionary fare, new beneficiaries must apply the JoyYou Card, a P-Card tailor-made for the Fare Concession Scheme, according to their year of birth from 2 August 2021 in phases. In addition, red minibus and kaito routes approved by TD<sup>7</sup> and all tram routes would be covered by the Fare Concession Scheme on the same day.

13. An oral question on the Fare Concession Scheme was raised at the Council meeting of 7 July 2021. The question and the Administration's reply are in **Appendix I**.

14. The Administration will brief the Subcommittee on the progress of incorporating the new beneficiaries under the Fare Concession Scheme at the meeting on 16 July 2021.

### **Relevant papers**

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

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<sup>7</sup> According to the Administration, TD will announce details of the routes that will join the Fare Concession Scheme in the first quarter of 2022.

## Press Releases

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LCQ4: Government public transport fare concession scheme  
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Following is a question by the Hon Chan Han-pan and a reply by the Secretary for Labour and Welfare, Dr Law Chi-kwong, in the Legislative Council today (July 7):

Question:

The Government announced in January this year that it would further extend the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (commonly known as the \$2 Scheme) to cover red minibuses (RMBs). However, residents' buses are not yet included in the Scheme. In this connection, will the Government inform this Council:

(1) as some RMB operators have relayed that there are a number of monitoring conditions for joining the \$2 Scheme, including registration of the origin and destination of the routes and the fares, regular submission of audit reports, and signing of agreement with the Transport Department (TD), whether the TD will relax the conditions so as to encourage more RMB operators to join the \$2 Scheme; if so, of the details; if not, the reasons for that; and

(2) given that residents' buses are the major mode of external public land transport for Ma Wan residents, whether the Government will include residents' buses travelling to and from Ma Wan in the \$2 Scheme, so as to alleviate the burden of transport expenses on the elderly and persons with disabilities living in Ma Wan; if so, of the details and timetable; if not, the reasons for that?

Reply:

President,

The Government announced on June 30 this year that the enhancement and anti-abuse measures under the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (\$2 Scheme) will be launched on February 27 next year. Such measures include lowering the eligible age to 60 on the condition that the new eligible persons aged 60 to 64 must apply for and use the tailor-made Personalised Octopus Card (i.e. the JoyYou Card) to enjoy the \$2 concessionary fare, and extending the \$2 Scheme to red minibuses (RMBs), kaitos and tramways. Like other public transport operators participating in the \$2 Scheme, RMB operators must strictly comply with the Government's monitoring conditions to ensure that public money will not be abused.

My reply to various parts of the Member's question is as follows:

(1) As the fare levels of RMB are currently decided by the operators on their own, RMB operators interested in joining the \$2 Scheme must register with the Transport Department the origin and destination of the routes and fares, install an Octopus payment system on admitted routes to ensure adherence to pre-set registered fares for calculating reimbursement of differential fares, and submit to the Government on a regular basis assurance and audit reports prepared by an independent auditor. Such monitoring conditions are in line with those imposed on the operators of other public transport modes included in the \$2 Scheme.

(2) The \$2 Scheme is a public transport fare concession scheme and hence its coverage should be confined to public transport. Nevertheless, the Government has not rigidly excluded all residents' services from the \$2 Scheme. If operators of individual routes of residents' services are interested in joining the \$2 Scheme, they are required to prove that their service scope and operation mode actually meet the requirements for "public transport", and they will comply with all the necessary conditions under the \$2 Scheme, including (but not limited to) the monitoring conditions as set out in part (1) of the reply above. Upon implementation of the above enhancement measures as already committed, the Government will consider other recommendations on the condition that the operators concerned can prove that their service scope and operation mode fully comply with all the necessary conditions under the \$2 Scheme.

Ends/Wednesday, July 7, 2021  
Issued at HKT 14:20

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**Relevant papers on incorporation of persons aged 60 to 64  
under the Government Public Transport Fare Concession Scheme for  
the Elderly and Eligible Persons with Disabilities**

<b>Meeting</b>	<b>Date of meeting</b>	<b>Paper</b>
Panel on Welfare Services	11 January 2021 (Item IV)	<a href="#">Agenda</a> <a href="#">CB(2)631/20-21(01)</a>
	13 January 2021*	<a href="#">CB(2)651/20-21(01)</a>
Subcommittee on Issues Relating to the Silver Age Card	26 February 2021 (Item I)	<a href="#">Agenda</a> <a href="#">Minutes</a>

\* Issue date

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Legislative Council Secretariat  
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