

# 立法會 *Legislative Council*

LC Paper No. CB(1)1555/03-04  
(These minutes have been seen  
by the Administration)

Ref : CB1/PL/TP/1

## **Panel on Transport**

**Minutes of meeting held on  
Friday, 26 March 2004, at 10:45 am  
in Conference Room A of the Legislative Council Building**

**Members present** : Hon LAU Kong-wah, JP (Chairman)  
Hon Andrew CHENG Kar-foo (Deputy Chairman)  
Dr Hon David CHU Yu-lin, JP  
Hon Albert HO Chun-yan  
Ir Dr Hon Raymond HO Chung-tai, JP  
Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP  
Hon CHAN Kwok-keung, JP  
Hon Andrew WONG Wang-fat, JP  
Hon LAU Chin-shek, JP  
Hon Miriam LAU Kin-yee, JP  
Hon TAM Yiu-chung, GBS, JP  
Hon Tommy CHEUNG Yu-yan, JP  
Hon LEUNG Fu-wah, MH, JP  
Hon WONG Sing-chi

**Non-Panel Member** : Hon James TO Kun-sun  
**attending**

**Members absent** : Dr Hon TANG Siu-tong, JP  
Hon Abraham SHEK Lai-him, JP  
Hon Albert CHAN Wai-yip  
Hon LAU Ping-cheung

**Public Officers attending : Agenda Items IV and V**

Dr Sarah LIAO  
Secretary for the Environment, Transport and Works

Miss Margaret FONG  
Acting Permanent Secretary for the Environment, Transport and Works

Mr Keith KWOK  
Deputy Secretary for the Environment, Transport and Works (T)1

Mr C K MAK  
Director of Highways

**Agenda Item VI**

Mr Arthur HO  
Deputy Secretary for the Environment, Transport and Works (T)2

Miss Angela LEE  
Principal Assistant Secretary for the Environment, Transport and Works

Mr Don HO  
Assistant Commissioner for Transport/ Management and Paratransit

Mr Ken HUI  
Chief Transport Officer/Planning (Taxi)  
Transport Department

**Agenda Item VII**

Ms Annie CHOI  
Deputy Secretary for the Environment, Transport and Works (T)3

Ms Elizabeth TAI  
Principal Assistant Secretary for the Environment, Transport and Works

Miss LUI Ying  
Principal Transport Officer/Management  
Transport Department

Mr FAN Ho-chuen  
Project Manager  
Electrical and Mechanical Services Department

**Clerk in attendance :** Mr Andy LAU  
Chief Council Secretary (1)2

**Staff in attendance :** Ms Alice AU  
Senior Council Secretary (1)5

Miss Winnie CHENG  
Legislative Assistant 5

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**I Confirmation of minutes and matters arising**

- (LC Paper No. CB(1)1146/03-04 - Minutes of meeting held on  
30 January 2004; and  
LC Paper No. CB(1)1374/03-04 - Minutes of meeting held on  
27 February 2004)

The minutes of meeting held on 30 January and 27 February 2004 were confirmed.

**II Information papers issued since last meeting**

- (LC Paper No. CB(1)1140/03-04(01) - Joint submission from 香港汽車修理員工協會 and Traffic Services Employees Association on "Proposed regulatory scheme for the vehicle maintenance trade";  
LC Paper No. CB(1)1180/03-04(01) - Submission from the HK Public Light Bus Owner & Driver Association on "Liquefied Petroleum Gas Light Buses";  
LC Paper No. CB(1)1186/03-04(01) - Submission from 離島各界反對渡輪假期附加費大聯盟 on "High fares of outlying islands ferry services";  
LC Paper No. CB(1)1373/03-04(01) - Administration's response to the submission from 離島各界反對渡輪假期附加費大聯盟;

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- LC Paper No. CB(1)1385/03-04(01) - DRM referral on "Monitoring the fares of three outlying islands ferry services";
- LC Paper No. CB(1)1340/03-04(01) - Information paper on "Footbridge across Po Kong Village Road at the junction with Tsz Wan Shan Road" provided by the Administration; and
- LC Paper No. CB(1)1372/03-04(01) - Information paper on "Progress of trial green minibus scheme on Route 3" provided by the Administration)

2. Members noted the above information issued since last meeting.
3. Regarding to the DMR referral on "Monitoring the fares of three outlying islands ferry services" (LC Paper No. CB(1)1385/03-04(01)), members agreed to discuss a related item at the next meeting scheduled for 23 April 2004.

**III Items for discussion at the next meeting scheduled for 23 April 2004**

- (LC Paper No. CB(1)1346/03-04(01) - List of outstanding items for discussion; and
- LC Paper No. CB(1)1346/03-04(02) - List of follow-up actions)

4. Members agreed that the following items would be discussed at the next meeting scheduled for 23 April 2004:

- (a) Outlying islands ferry services in Hong Kong;
- (b) Measures to enhance safety of school transport vehicles;
- (c) Interchange discount between West Rail/MTR; and
- (d) Reconstruction and improvement of Tuen Mun Road.

Members further agreed that in view of the heavy agenda, the meeting would be held from 10:00 am to 12:45 pm.

**IV Staffing proposal on possible merger of MTR Corporation Limited and Kowloon-Canton Railway Corporation in the Environment, Transport and Works Bureau**

- (LC Paper No. CB(1)1294/03-04(01) - Information paper provided by the Administration)

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5. The Chairman drew members' attention to the Administration's staffing proposal on possible merger of MTR Corporation Limited (MTRCL) and Kowloon-Canton Railway Corporation (KCRC) in the Environment, Transport and Works Bureau (ETWB) as set out in LC Paper No. CB(1)1294/03-04(01). The Administration's intention was to submit the proposal to the Establishment Subcommittee (ESC) for consideration at its meeting to be held on 28 April 2004.

6. At the invitation of the Chairman, the Secretary for the Environment, Transport and Works (SETW) stated that in addition to the present item on the proposed merger of the two railway corporations and the following item on the proposed Hong Kong-Zhuhai-Macao Bridge (HZMB), ETWB had also put forward two staffing proposals for the consideration of other relevant Panels in relation to the creation of a new permanent post of Permanent Secretary for the Environment, Transport and Works (Environment) (PSE) to take charge of the Environment portfolio, as well as the amalgamation of Civil Engineering Department (CED) and Territory Development Department (TDD). These staffing changes were proposed as a result of the organizational review of ETWB and its executive departments for achieving greater efficiency and productivity to meet the increasing demand and aspirations of the public.

7. SETW further said that the proposed merger and HZMB were two strategic transport policy initiatives under her purview. In view of the major social and economic benefits to be achieved, these initiatives were generally supported by the community at large. The Administration saw the need for strengthening the directorate support of ETWB to ensure the smooth and early implementation of these initiatives. For this purpose, the Administration now proposed to create four supernumerary directorate posts, i.e. two posts for a duration of two years in ETWB to be responsible for the proposed merger of the two railway corporations and two posts of six years in the Highways Department (HyD) for the proposed HZMB project. These would be in addition to the permanent PSE post proposed to be created. In the meantime, the proposed amalgamation of CED and TDD would bring about a net deletion of 66 posts, nine of which were directorate posts. Taken together, the proposed changes would bring about a net savings of \$32.6 million in terms of full annual average staff cost. Referring members to the detailed justifications set out in the Administration's papers, she called on members' support for the staffing proposals so that sufficient directorate support would be available in ETWB and HyD to cope with the additional workload arising out of the possible merger and the HZMB project.

Resources allocation in ETWB

8. Ms Miriam LAU noted the recent staffing proposals related to ETWB, and welcomed the proposed amalgamation of CED and TDD to achieve greater operational efficiency and productivity. While she would also support the Administration's requests for the creation of new posts if their functional need was considered justified, Ms LAU was of the strong view that savings from the amalgamation of the two works departments should be used to achieve the target efficiency savings of 11% so as to avoid any undue

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impact on the existing level of services provided to the public. She was particularly concerned about the plan of the Transport Department (TD) to close some of its licensing centres, which would cause much inconvenience to the public.

9. SETW said that the additional cost required for the creation of the five proposed posts was \$11.2 million in full annual average staff cost. Of this amount, \$6.9 million would be met by savings from the amalgamation of CED and TDD, and \$4.3 million by internal re-deployment of existing resources within ETWB. Other savings from the proposed amalgamation of the two works departments would not be retained within ETWB. Insofar as the 11% cut in operating expenditure was concerned, ETWB would strive to further improve operational efficiency so as to deliver the target efficiency savings in the coming years according to schedule.

10. The Acting Permanent Secretary for the Environment, Transport and Works (PSET(Atg.)) supplemented that in accordance with the Government's aim to do more with less, ETWB would continue to explore ways to maximize efficiency and minimize costs while ensuring that essential services would not be affected. Addressing Ms Miriam LAU's concern, she said that the existing services provided by TD to the public would not be affected by the proposed reduction in operating expenditure in 2004-05. While noting the Administration's explanation, Ms Miriam LAU called on ETWB to closely liaise with TD to ensure the standard of services offered to the public.

11. Ir Dr Raymond HO said that while he had no objection to the number of new posts to be created in ETWB as well as the proposed amalgamation of CED and TDD, he was gravely concerned that the allocation of staffing resources at the directorate level within ETWB was not commensurate with the heavy workload and duties of the works portfolio. Moreover, he was dissatisfied that ETWB had failed to give due consideration to the need of retaining and nurturing professional staff in the departments. Considering the present staffing proposal in the same light, Ir Dr HO said that the two proposed posts could be filled by officers of the Engineer grade, instead of the Administrative Officer (AO) grade, as the former were equally capable of taking up the required duties in relation to the proposed merger of the two railway corporations.

12. As far as the division of responsibilities between the Permanent Secretaries in ETWB was concerned, SETW said that since the establishment of ETWB in July 2002, there had been a significant increase in the responsibilities of PSET on both the Transport and Environment fronts. Various new long-term policy initiatives with specific targets had also been added to PSET's duty list. Against this background, the new PSE post was proposed so as to rationalize the directorate structure of ETWB. However, this did not mean that the Works portfolio was ignored. In accordance with the principle of "big market, small government", ETWB's aim was to increase private sector participation in public works projects. As a result, the role of works departments would gradually change from that of execution to supervision with corresponding adjustments in staffing establishment. While stressing the Government's emphasis on staff training and professional development, she said that the establishment and staffing

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complement of each bureau/government department must be commensurate with workload and the nature of work.

13. SETW further said that staffing arrangements in relation to the proposed amalgamation of CED and TDD were worked out by the Permanent Secretary for the Environment, Transport and Works (Works) together with the heads of the two departments. It was expected that the surplus staff arising from the exercise could be fully absorbed through natural wastage, the Second Voluntary Retirement Scheme and re-deployment within the Government.

14. Addressing Ir Dr Raymond HO's concern about the grading of the proposed posts, PSET(Atg.) pointed out that the merger negotiations would cover a wide range of transport policy issues including for example, review of fare structure, development of a proposal for a more objective and transparent fare adjustment formula, and handling of human resources matters. Hence, it was considered appropriate that the proposed posts be filled by officers of the AO grade.

15. Ir Dr HO took great exception to the Administration's response. He stressed that many departments were headed by officers of professional grades who were also responsible for handling various policy and administrative matters. Unconvinced by the Administration's explanation, he could not support the present staffing proposal if the proposed posts were to be filled by officers of the AO grade.

### Timing for the creation of the proposed posts

16. Mr CHENG Kar-foo pointed out that as the on-going merger talks between the two railway corporations would only be completed by 31 August 2004, consideration should be given as to whether it was premature to create the proposed posts with effect from 1 July 2004. While recognizing the duties of the proposed posts, he suggested that ETWB should seek to cope with the additional workload for the two-month gap through redeployment or reshuffling of duties. To achieve early savings of public expenditure, ETWB should first proceed with the deletion of directorate posts upon the amalgamation of CED and TDD on 1 July 2004. When there was a clear way forward after the merger talks were completed, the Administration could then put forward its proposal to create the two supernumerary posts to undertake the necessary duties. Such an arrangement could also obviate the need for subsequent deletion of the posts if the Government decided not to proceed with the merger.

17. Concerned about the timing for the creation of the proposed posts, Ms Miriam LAU queried whether the Administration might have over-estimated the workload of the proposed posts in ETWB in July and August as the negotiations were to be undertaken mainly by the two railway corporations.

18. In response, SETW said that complex issues were involved in the merger with a huge amount of work to be undertaken during different stages. Once the Government

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came to the decision to invite the two railway corporations to enter into merger talks, a supernumerary post of Administrative Officer Staff Grade B (AOSGB) (D3) was created under delegated authority in ETWB from 29 February 2004 to take on the relevant duties. With the merger talks underway, there was an urgent need to strengthen directorate support in ETWB to oversee and follow through the whole negotiation process.

19. SETW also referred members to the major duties of the proposed posts as set out in Enclosures 1 and 2 of the paper, and stressed that given the complexity of the tasks involved, there was an urgent need to strengthen the directorate support in ETWB in advance. In fact, the negotiations were expected to reach a critical stage towards July 2004. Taking all these into account, the Administration considered that a dedicated team comprising two directorate officers at AOSGB (D3) (to be designated as Deputy Secretary for the Environment, Transport and Works (Transport)4 (DS(T)4)) and Administrative Officer Staff Grade C (D2) (to be designated as Principal Assistant Secretary for the Environment, Transport and Works (Transport) Special Duties) levels should be set up in ETWB from 1 July 2004 to ensure success of the negotiations.

20. In supplement, PSET(Atg.) elaborated on the various duties to be undertaken by the dedicated team in the run-up to the conclusion of the merger talks. In particular, she said that a merger management committee had been set up with the two corporations to monitor the programme and facilitate the negotiations, and to ensure the parameters set by the Government were adequately addressed in the negotiations. A list of about 25 major areas to be covered had been drawn up. Separately, a merger steering committee had also been set up between the Government and KCRC for the Government, as the sole shareholder of KCRC, to give steer to KCRC in its negotiations. As the merger talks progressed, the workload arising from both committees had been increasing substantially. SETW added that the prorogation of the Legislative Council in July 2004 was also a problem as the supernumerary AOSGB post created under delegated authority would lapse in August 2004.

21. Ms Miriam LAU however reiterated her strong view that the duration of the proposed posts must tie in with the workload. The Administration should not seek to create the posts early for expediency. In order to ensure the efficient use of resources, she suggested that the Administration should seek funding approval for extending the existing supernumerary post created under delegated authority for three months. By the time a clear way forward emerged after the merger talks were completed, the Administration could put forward another submission for the creation of the proposed posts under this item. Her view was echoed by Mr Tommy CHEUNG.

22. SETW responded that the staffing request was proposed after giving due regard to all relevant factors, and there was no question about the functional need of the proposed posts to be created from 1 July 2004. The Administration considered it appropriate and necessary to use some of the savings achieved from the proposed



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amalgamation of CED and TDD to meet the additional staff cost required for the creation of the proposed posts.

23. Mr Andrew WONG said that considering the need for certainty and continuity, he would suggest the proposed posts be created for one year initially subject to review before the posts lapsed. If the merger proposal was not taken forward after the talks completed, the posts should be deleted immediately.

### Proposed duties and responsibilities

24. Highlighting the Government's important role in safeguarding the employment situation of the two railway corporations, Mr LAU Chin-shek enquired about the responsibility of the post-holders in ensuring communication between the management and the staff of the two corporations as well as in resolving any disputes that might arise.

25. In response, PSET(Atg.) said that one of the duties of the proposed DS(T)4 was to oversee the operation of the merger management committee which was set up to monitor the negotiations of the two corporations. The objective was to ensure that the parameters set by the Government including job security for the frontline staff of both corporations at the time of the merger were adequately addressed in the negotiations. In taking the matter forward, the Government had placed great emphasis on the need for the corporations to maintain open and timely communication with their staff.

26. Mr CHENG Kar-foo said that Members of the Legislative Council from the Democratic Party would consider the staffing proposal on the basis of functional need of the proposed posts as well as the benefits their work could bring to the community at large. As such, he stressed that the post-holders must ensure proper safeguard of public interest during the merger talks, particularly in relation to the valuation of KCRC's assets and the implementation of the fare adjustment mechanism. Referring to the merger steering committee set up to provide steer from the Government to KCRC as its sole shareholder in the negotiations, Mr CHENG opined that the Government should use the same steer to ensure that KCRC would remove the second boarding charge to benefit the travelling public in case the merger was not taken forward.

27. SETW said that it was premature to speculate on the way forward for the merger. The objective of the negotiations was to see whether a merger between the two railway corporations within the parameters set by the Government was feasible and acceptable to the parties concerned. During the negotiations, it was necessary for the Government to give steer to KCRC as the Government was its sole shareholder. But the decision as to whether to accept the merger proposal would ultimately rest with the minority shareholders of MTRCL.

28. Addressing Mr CHENG Kar-foo's concern about the burden of transport costs on the public, SETW said that in the past, the railway corporations had responded to the call from the public for lower fares by the offer of various concessions and discounts. In

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order to balance the interests of the public and public transport operators, the Government had also proposed to adopt a new fare adjustment mechanism based on a price-cap model with a trigger mechanism that could allow public transport fares to go up or down in light of the relevant factors and by reference to a specified formula. The adoption of a more objective and transparent fare adjustment mechanism was one of the key parameters for the merger negotiations.

29. Mr Albert HO reiterated his concern that in order to gain the acceptance of MTRCL's minority shareholders, the Government might need to provide a substantial discount to KCRC's asset value. In order to safeguard the public interest at stake, he asked whether the Government would still consider buying out the minority shareholders of MTRCL before proceeding with the merger. SETW said that as stated by the Secretary for Financial Services and the Treasury, this option had been precluded.

## **V     Staffing proposals related to the Hong Kong-Zhuhai-Macao Bridge** (LC Paper No. CB(1)1346/03-04(03)     - Information paper provided by the Administration)

30. Members noted the information paper provided by the Administration on its staffing proposal in relation to the planning and implementation of the Hong Kong-Zhuhai-Macao Bridge (HZMB) and related highway infrastructure projects in the Highways Department (HyD) as set out in LC Paper No. CB(1)1346/03-04(03). The Administration intended to submit the proposal to ESC for consideration at its meeting to be held on 28 April 2004.

31. Ms Miriam LAU referred to the Administration's earlier funding request for \$58.9 million to conduct an Investigation and Preliminary Design (I&PD) Study for the Hong Kong Section of HZMB (HKS) and the North Lantau Highway Connection (NLHC), and sought clarification on whether any of the duties of the proposed posts would overlap with those to be undertaken in the I&PD Study.

32. The Director of Highways (DHy) replied that in December 2003, the Finance Committee had approved the Administration's funding request for the engagement of consultants to undertake advance work in relation to the HKS and its connecting infrastructure in Hong Kong including investigation study as well as conceptual and preliminary designs for the project. The I&PD Study was now underway for completion by end 2004. PSET(Atg.) added that one of the duties of the proposed post of Project Manager/Hong Kong-Zhuhai-Macao Bridge to be created in HyD was to liaise with the consultants on matters relating to the planning, design and implementation of the HZMB project. That would include overseeing the consultants' work for the I&PD Study.

33. Ms Miriam LAU nonetheless considered the Administration's present staffing proposal anticipatory as a formal decision to undertake the HZMB project had yet to be made, pending the outcome of the joint feasibility study commissioned by the HZMB

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Advance Work Co-ordination Group (AWCG) as well as the on-going I&PD Study in Hong Kong, both scheduled for completion by end 2004. Considering the circumstances, she also queried the justification for the proposed posts to be created for a duration of six years in the first instance.

34. SETW said that there was no question about the economic and social benefits of HZMB which had been confirmed by earlier study commissioned by the National Development and Reform Commission (NDRC). With the approval of the State Council, the AWCG was set up by the governments of the Hong Kong Special Administrative Region, Guangdong and Macao Special Administrative Region to press ahead with the necessary advance work, including studies on alignment, environmental impact and hydrology. On completion, these studies would be submitted to NDRC for approval by the State Council to create a project item for the construction of HZMB. In this respect, she called on members' understanding that the project was an undertaking of the three governments. Given the Government's commitment on this significant project, there was an urgent need to strengthen the directorate support in HyD in steering and monitoring both the joint feasibility study and the I&PD Study, and in the further deliberation of the HZMB project with the Mainland and Macao authorities.

35. DHy supplemented that in taking forward a complicated mega project such as HZMB, input and participation from experienced officers in the early stage was critical so that all relevant factors could be duly considered before decisions having far-reaching implications were made. In parallel, HyD would also be responsible for developing the overall development strategy for the transport infrastructure of the North West New Territories in the light of the decision to go ahead with the HZMB project. As such, HyD needed to establish a HZMB Project Management Office with the creation of two supernumerary directorate posts of one Principal Government Engineer (PGE) (D3) and one Chief Engineer (CE) (D1) and temporary re-deployment of one CE from the Major Works Project Management Office. The proposed duration of six years had already taken into account the time taken for the project to proceed from inception to detailed planning and implementation. Dedicated service of the three directorate posts would be required until end 2009.

36. Ir Dr Raymond HO concurred with the importance of professional input at a senior level during the early planning stage of such mega projects so as to obviate the need for any abortive works, and expressed support for the present proposal. In this connection, he cautioned that special attention should be paid to the selection of landing points of HZMB, as well as the provision of its connecting infrastructure in Hong Kong.

## **VI Measures to curb taxi touting activities**

(LC Paper No. CB(1)1346/03-04(04) - Information paper provided by the Administration)

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37. The Chairman invited members to note the information paper provided by the Administration on the subject (LC Paper No. CB(1)1346/03-04(04)).

Enforcement against illegal touting activities

38. Ms Miriam LAU stressed that under the prevailing economic conditions, the problem of illegal taxi touting activities and fare bargaining by passengers had seriously affected the operation and livelihood of law-abiding taxi operators. They strongly called on the Administration to maintain their vigilance in combating taxi touting activities, in particular those involving the use of illegal telecommunication devices and distribution of name cards or leaflets, so that the trade could operate in a fair environment. In this respect, she enquired about the Administration's further actions to be taken.

39. The Deputy Secretary for the Environment, Transport and Works (T)2 (DS for ETW(T)2) stated that the Administration had stepped up enforcement actions against taxi touting activities, in particular the direct touting activities at problem spots such as the Airport. Moreover, the trade was encouraged to report any suspected touting acts or problem spots to the Administration for further investigation. The Administration would also strengthen relevant publicity to both the taxi trade and passengers.

40. The Assistant Commissioner for Transport/Management and Paratransit (AC for T/M&P) supplemented that the Transport Department (TD) had also set up a special task force with the Police and the Office of the Telecommunications Authority (OFTA) in August 2003 to enhance inter-departmental co-ordination in combating taxi touting through illegal use of telecommunications. TD would continue to work with the Police and OFTA to combat taxi touting and closely monitor the situation and the effectiveness of enforcement actions taken.

41. Both Mr Andrew WONG and Mr James TO referred to the privacy implication of the enforcement actions undertaken by OFTA, and sought confirmation as to whether such actions would involve any surveillance or interception of telecommunications.

42. AC for T/M&P replied that the joint actions undertaken by the special task force would involve the setting up of road blocks to check taxis suspected of having any means of telecommunications installed or maintained illegally. As far as he understood, no surveillance or interception of telecommunications would be involved. On members' request, he would revert on this matter after checking with OFTA.

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43. In reply to Mr CHENG Kar-foo, AC for T/M&P said that the enforcement figures at Annex I of the paper referred to those against direct touting activities. As regards actions against distribution of name cards or leaflets, the mere act of distributing promotional materials for contact and marketing purposes was not an offence unless it was used as a means to solicit passengers. Prosecution would be initiated if there was evidence to substantiate the offence. So far, the actions taken by TD and the Police had

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not led to any confirmed cases. The two departments would continue with the relevant operation.

### Fare bargaining by passengers

44. Ms Miriam LAU said that the findings of her survey indicated that there were divergent views among the taxi trade on the need for legislative amendments to prohibit passengers from asking for fare discount at this stage. On one hand, some trade members considered that fare bargaining by passengers was unfair to those who did not agree to such requests. On the other hand, some opined that it was not appropriate to take away the flexibility for the trade in responding to market situation during economic downturn. On this matter, the trade strongly requested that the Administration should step up publicity to advise taxi passengers of their duty to pay legal fare.

45. Relaying similar views he collected from some taxi drivers, Mr LEUNG Fu-wah said that fare bargaining by taxi passengers could easily lead to confrontation. In view of such, he stressed the need for maintaining both fairness and flexibility in the trade's operation, and suggested that the Administration could consider introducing a more equitable fare charging mechanism under the existing regulatory framework such that taxi passengers were prohibited from seeking fare discount when the fare or distance of journey was below a certain level.

46. DS for ETW(T)2 said that the level of taxi fare was determined by supply and demand in the market. While acknowledging Mr LEUNG Fu-wah's suggestion, he said the Administration was aware of the mixed views among trade members on whether fare bargaining by passengers should be prohibited. Moreover, there would be practical problems in determining the level of fares below which fare bargaining should be prohibited. He informed members that according to taxi trade, both the offering of discount by taxi operators and the fare bargaining activities by passengers had reduced due to the recent recovery of the taxi business. Nonetheless, the Administration would continue to monitor the situation. In this regard, Mr LEUNG Fu-wah said that TD should maintain close contact and consultation with both the operators and drivers of the taxi trade.

47. Mr CHENG Kar-foo however considered that the anomaly with fare bargaining by taxi passengers was a policy issue that the Government must address as the regulator of the taxi trade. He pointed out that as operators had to pay a premium for taxi licences, and fare revisions were subject to the scrutiny of the Transport Advisory Committee and the approval of the Chief Executive in Council, the Government was duty-bound to maintain the order and fairness of their operating environment. As such, he said that the Administration should further consider whether taxi drivers could be allowed to charge a reduced fare to passengers when the fare or journey of the trip exceeded a certain level. This would be particularly helpful in the case of long haul trips. Mr Andrew WONG also considered that taxi operators should be allowed to offer fare discount to passengers so as to ensure fair competition in the market.

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48. DS for ETW(T)2 said that the Government had clear policy for the fare of taxis as well as other public transport modes, and they were stipulated in the relevant legislation. Currently, there was no legal provision which prohibited passengers on taxis as well as other public transport modes to ask for fare discounts. However, it was up to individual operators to decide whether or not to agree to such requests from passengers. Some members of the taxi trade worried that if passengers were not allowed to ask for fare discount, there could be more passengers driven to travel on other transport modes, particularly on long trips. This would create further difficulty for their business.

49. In this respect, Ms Miriam LAU pointed out that it was the act of taxi drivers offering fare discount to attract passengers to use their taxis that would be caught under the offence of soliciting. However, it was acceptable under the law for taxi drivers to make a prior agreement to sign a contract with taxi passengers for hiring of the taxis as a whole at a rate as agreed with the passengers.

50. Summing up the discussion, the Chairman invited the Administration to note members' view that it should sustain its efforts in combating illegal touting activities while continue to explore ways to ensure fairness and flexibility in the operation of the taxi trade in terms of fare.

## **VII Replacement of the tunnel lighting system in Cross Harbour Tunnel**

(LC Paper No. CB(1)1346/03-04(05) - Information paper provided by the Administration)

51. Members noted the information paper provided by the Administration on its funding proposal to replace the tunnel lighting system in Cross Harbour Tunnel (LC Paper No. CB(1)1346/03-04(05)). The Administration's intention was to submit the request to the Finance Committee for approval at its meeting to be held on 30 April 2004.

52. In reply to Mr CHENG Kar-foo's enquiry, the Project Manager of the Electrical and Mechanical Services Department said that there was an inadvertent omission of the words "安裝" (installation) in the Chinese text of item 4 of the work programme at the Annex to the paper. He confirmed that system installation would take about 12 months to complete while testing would be conducted for about one month before commissioning. The current plan was to start the replacement project in mid 2004, which would take about 27 months to complete.

## **VIII Any other business**

53. There being no other business, the meeting ended at 1:10 pm.

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Council Business Division 1  
Legislative Council Secretariat  
22 April 2004