

**立法會**  
**Legislative Council**

LC Paper No. CB(1)1020/05-06  
(These minutes have been seen  
by the Administration)

Ref : CB1/PL/TP/1

**Panel on Transport**

**Minutes of meeting held on  
Friday, 20 January 2006, at 9:30 am  
in the Chamber of the Legislative Council Building**

**Members present** : Hon LAU Kong-wah, JP (Chairman)  
Hon Andrew CHENG Kar-foo (Deputy Chairman)  
Ir Dr Hon Raymond HO Chung-tai, S.B.St.J., JP  
Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP  
Hon LAU Chin-shek, JP  
Hon Miriam LAU Kin-yee, GBS, JP  
Hon Abraham SHEK Lai-him, JP  
Hon LI Fung-ying, BBS, JP  
Hon Tommy CHEUNG Yu-yan, JP  
Hon WONG Kwok-hing, MH  
Hon Jeffrey LAM Kin-fung, SBS, JP  
Hon LEUNG Kwok-hung  
Hon CHEUNG Hok-ming, SBS, JP  
Hon Albert Jinghan CHENG

**Members attending** : Hon CHAN Yuen-han, JP  
Hon KWONG Chi-kin

**Members absent** : Hon TAM Yiu-chung, GBS, JP  
Hon Albert CHAN Wai-yip  
Hon LEE Wing-tat

**Public Officers  
attending** : **Agenda item IV**

Mr Roger LAI  
Director of Electrical and Mechanical Services Department

Mr Frank CHAN  
Assistant Director of Electrical and Mechanical Services  
Department

Mr WONG Sek-cheung  
Acting Chief Engineer  
Electrical and Mechanical Services Department

Mr Roy TANG  
Deputy Director of Environmental Protection Department

Mr MOK Wai-chuen  
Principal Environmental Protection Officer  
Environmental Protection Department

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

**Agenda item V**

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

Ms Carolina YIP  
Deputy Commissioner for Transport/  
Transport Services & Management

Mr Don HO  
Assistant Commissioner for Transport/  
Management and Paratransit

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

**Agenda item VI**

Mr Patrick HO  
Deputy Secretary for the Environment, Transport and Works

Mr Martin GLASS  
Deputy Secretary for Financial Services and the Treasury

**Attendance by  
invitation**

**: Agenda item V**

Kowloon Taxi Owners Association Ltd.

Mr YUM Tai-ping  
Chairman

United Friendship Taxi Owners & Drivers Association Ltd

Mr LEUNG Chak-sang  
Chairman

Sun Hing Taxi Radio Service General Association

Mr CHAN Wai-ming  
Chairman

Right for Taxi Owner and Driver Association Limited

劉劍魂先生  
主席

Sun Hing Taxi Radio Association

陳明生先生  
主席

The Fraternity Association of NT Taxi Merchants

何治勤先生  
副主席

Urban Taxi Drivers Association Joint Committee Co. Ltd.

Mr KWOK Chi-piu  
Chairman

Tai Wo Motors Ltd.

Mr NG Fong  
Chairman

Hong Kong Tele-call Taxi Association

Mr WONG Yu-ting  
Chairman

New Territories Taxi Operations Union

Mr CHAN Shu-sang  
Chairman

Hong Kong Kowloon Taxi & Lorry Owners Association Ltd

Mr MAN Hon-ming  
Director

Lantau Taxi Association

Mr CHAN Kam-hung  
Chairman

Hong Kong Taxi Association

Mr LAI Hoi-ping  
Chairman

The Taxi Operators Association Limited

Mr LEUNG Shui-cheong  
Chairman

新界的士聯合陣線

黎銘洪先生  
召集人

**Agenda item VI**

MTR Corporation Limited

Mr Leonard B TURK  
Legal Director and Secretary

Mrs Miranda LEUNG  
General Manager – Corporate Relations

Kowloon-Canton Railway Corporation

Mr David FLEMING  
Company Secretary and General Counsel

Mrs Grace LAM  
General Manager – Corporate Affairs

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

**Staff in attendance** : Ms Anita SIT  
Senior Council Secretary (1)9

Miss Winnie CHENG  
Legislative Assistant (1)5

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**I Confirmation of minutes and matters arising**

- (LC Paper No. CB(1)549/05-06 - Minutes of the special meeting held on  
17 November 2005  
LC Paper No. CB(1)694/05-06 - Minutes of the meeting held on  
25 November 2005)

The minutes of the meetings held on 17 and 25 November 2004 were confirmed.

**II Information papers issued since last meeting**

- (LC Paper No. CB(1)704/05-06(07) - Referral from Legislative Council  
Members' meeting with Kwai Tsing  
District Council on 8 December 2005  
regarding two-way section fare by bus  
companies)

2. Members noted the information paper issued since last meeting.

**III Items for discussion at the next meeting scheduled for 24 February 2006**

- (LC Paper No. CB(1)704/05-06(01) - List of outstanding items for  
discussion  
LC Paper No. CB(1)704/05-06(02) - List of follow-up actions)

3. Members noted that the Administration did not propose any discussion items for the next regular meeting on 24 February 2006. Members agreed that apart from any discussion item that the Administration might subsequently propose, the following items should be discussed at the next regular meeting –

- (a) Private Driving Instructor's Licences; and

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- (b) Measures to combat drink driving and use of hand-held mobile phone while driving.

With regard to item (a) above, members agreed to invite relevant organizations to attend the meeting to give oral views.

4. Mr WONG Kwok-hing suggested that the Panel should discuss issues relating to the resumption and traffic management of private streets. Noting that the subject might involve issues that did not fall squarely within the purview of the Panel on Transport, members agreed that the Clerk should check the relevant details with the Administration and report to the Chairman for a decision on whether the Panel should discuss the subject or otherwise.

**IV Operation of dedicated LPG filling stations and pricing adjustment mechanism**

- (LC Paper No. CB(1)635/05-06(01) - Supplementary information paper on "Operation of Dedicated LPG Filling Stations and Pricing Adjustment Mechanism" provided by the Administration
- LC Paper No. CB(1)731/05-06(01) - Submission from 司機權益關注組 dated 16 January 2006
- LC Paper No. CB(1)742/05-06(03) - Reply from the Administration to the submission from 司機權益關注組
- LC Paper No. CB(1)592/05-06(01) - Submission from Chevron Hong Kong Limited
- LC Paper No. CB(1)742/05-06(04) - Reply from the Administration to the submission from Chevron Hong Kong Limited
- LC Paper No. CB(1)503/05-06(03) - Information paper for the meeting on 16 December 2005 provided by the Administration
- LC Paper No. CB(1)713/05-06 - Extract of the minutes of meeting on 16 December 2005
- LC Paper No. CB(1)529/05-06(01) - A Joint submission from 司機權益關注組 / 的士司機權益協會籌委會
- LC Paper No. CB(1)543/05-06(01) - Gist of discussion between Duty Roster Members and 司機權益關注組 / 的士司機權益協會籌委會)

5. The Chairman informed members that a few organizations from the LPG vehicle trades had requested to send representatives to attend the meeting to give views on the item. However, in view of the tight schedule for the meeting, the organizations had been asked to submit their representations in writing for the Panel's consideration.

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*(Post-meeting note : The submissions tabled at the meeting were issued to the Panel vide LC Paper Nos. CB(1)767/05-06(01) to (03))*

6. The Director of Electrical and Mechanical Services (DEMS) drew members' attention to the papers provided by the Administration (LC Paper Nos. CB(1)635/05-06(01) and 742/05-06(03)), which reported on actions taken to improve the operation of dedicated LPG filling stations ("dedicated stations") since the Panel meeting on 16 December 2005 where the subject matter was last discussed, and the Government's plan to introduce a monthly LPG ceiling price adjustment mechanism for dedicated stations with effect from 1 February 2006. He made the following points –

- (a) The Government's plan was to introduce a new pricing adjustment mechanism for dedicated stations with effect from 1 February 2006, under which the adjustment frequency of LPG ceiling price at dedicated stations would be changed from once every six months to once a month to reflect more timely the movements of the LPG international price. The purpose of the revised adjustment mechanism was to address the problems caused by the half-yearly LPG price adjustment, which led to surge in demand for LPG filling at dedicated stations and thus queuing of vehicles.
- (b) The price adjustment review was in line with the terms stated in the Design, Build and Operate (DBO) contracts between the Government and operators of the dedicated stations. According to the DBO contracts currently in force, LPG ceiling prices at dedicated stations were adjusted every six months. 1 February 2006 was the due date when the next and last half-yearly adjustment would be implemented. Under the DBO contracts, the LPG ceiling price at dedicated stations comprised two elements, namely the LPG international price and LPG operating price. This Pricing Formula would remain unchanged under the new price adjustment mechanism.
- (c) A joint departmental working group comprising representatives of Electrical and Mechanical Services Department (EMSD), Environmental Protection Department (EPD) and Transport Department (TD) met with the trades again on 30 and 31 December 2005 to discuss the revised price adjustment mechanism. The stakeholder parties attending the forums, including representatives of the taxi and light bus trades (Urban/New Territories/Lantau Taxis and Red Minibuses/Green Minibuses), raised no objection to the revised mechanism to take effect on 1 February 2006. The Administration sought further update on their position by way of telephone enquiries on 19 January 2006. The vast majority of the responses indicated acceptance of the new mechanism.
- (d) The Administration had also met with the Traffic and Transport Committees of the Sham Shui Po District Council, Yuen Long District Council and Yau

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Tsim Mong District Council on 29 December 2005, 4 January and 14 January 2006 respectively to explain to them the grounds for introducing the revised price review mechanism and address their concerns about traffic and noise problems caused by the long queuing of vehicles at dedicated stations. The Administration would also disseminate information on the Pricing Formula and the revised price adjustment mechanism by various means, such as publishing information pamphlets for distribution to the drivers at the dedicated stations and publicizing the information through the newsletters of the trades.

- (e) In view of the complaints about long queuing of LPG vehicles at dedicated stations, the Administration had liaised with the two dedicated stations operators and secured their cooperation in ensuring a reasonable level of LPG filling service. Both operators had agreed to deploy as many of their filling nozzles as possible, in any case not less than 70% during busy hours. It was noted that the measure had reduced the queuing time for the vehicles. The two operators would also increase their LPG road tanker delivery frequency to dedicated stations subject to safety and maintenance requirements.
- (f) The Government would announce the LPG international price on a monthly basis so that the trades could monitor the pricing adjustment at dedicated stations. The Administration would continue to monitor the supply chain logistics of the two operators. The EMSD's 24-hour telephone hotline would continue to receive feedbacks on problems encountered for prompt follow-up actions. Apart from the above-mentioned measures, quarterly customer liaison meetings of representatives of the LPG vehicle trades with the two operators would be held to foster communication and understanding between the two sides. Representatives of the relevant Government departments would be present at these meetings to gather opinions.

7. Mr WONG Kwok-hing said that he was extremely dissatisfied at the Administration's assertion that the introduction of monthly adjustment of LPG ceiling price at dedicated stations with effect from 1 February 2006 had the acceptance of the trades, which he contended was a total distortion of the real picture. Drawing members' attention to the written submission from 汽車交通運輸業總工會, Mr WONG said that LPG taxi and minibus drivers and the trade unions in fact were strongly opposed to the proposal. In their opinion, the proposal, which allowed LPG ceiling prices at dedicated stations to rise at short intervals, would seriously threaten their livelihood. However, regrettably, their views had been ignored by the Administration.

8. Mr WONG Kwok-hing further pointed out that trade unions and drivers accepted the policy introduced in 2000 to encourage the transport trade to switch from diesel taxis and public light buses to LPG ones on the basis of the Administration's undertaking to maintain steady and cheap LPG prices for the users. They were now extremely



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disappointed at the Administration's retracting on its commitment, and considered that the revised pricing adjustment would unfairly benefit the dedicated stations operators at the expense of their interests. Mr WONG was concerned that the strong resentment of the drivers could lead to radical actions by the drivers. Referring to the meetings of the Administration with the LPG vehicle trades in December 2005, Mr WONG said that no workers' unions and professional drivers were represented in the discussions. He considered that the Panel should not take a decision on the matter until trade unions and drivers were given full opportunity for their views to be heard. Mr WONG said that he would move a motion in this regard for members' consideration.

9. Echoing Mr WONG Kwok-hing's views, Miss CHAN Yuen-han said that she had also received complaints from vehicle drivers that monthly adjustments of the LPG price would create grave uncertainties to their operating cost and seriously threaten their business. She deplored the Administration for failure to undertake full consultations and ignoring vehicle drivers' objections to the new price adjustment mechanism.

10. The Assistant Director of Electrical and Mechanical Services (AD/EMS) responded that consultations with the trades on the new adjustment mechanism were conducted in accordance with the well-established practices and procedure of TD. He reiterated that the relevant associations in the trades had been consulted comprehensively in December 2005, including the three Taxi Operations Conferences and two Public Light Buses Operations Conferences which comprised representatives of trade associations of the taxi and public light buses trades including 汽車交通運輸業總工會. The new adjustment mechanism and the concerns of the associations had been discussed in detail during the meetings. The Deputy Director of Environmental Protection (DD/EP) added that EPD and EMSD had further exchanged views with 汽車交通運輸業總工會 at a meeting on 9 January 2006 at which Mr WONG Kwok-hing was also present.

11. Mr WONG Kwok-hing said that despite the last meeting with 汽車交通運輸業總工會 on 9 January 2006, there were still dissenting views held by vehicle drivers. A press conference was subsequently held jointly by the three Members representing the Federation of Trade Unions in LegCo and 汽車交通運輸業總工會 to publicly declare the LPG vehicle drivers' objection.

12. DEMS recapitulated that there had been substantial fluctuations in LPG international price since September 2005. While LPG prices at non-dedicated stations had been adjusted upwards, those at dedicated stations could not be changed until the due date for the half-yearly ceiling price review, i.e. 1 February 2006. The widening of the price differential had led to an imbalance in the demand for LPG at dedicated and non-dedicated stations and hence long queues of vehicles at dedicated stations. The purpose of adopting monthly adjustments of ceiling price at dedicated stations was not to push up the LPG pump price at dedicated stations, but to keep pace with the movements of LPG international price, thereby minimizing the time-lagging effect and resolving the queuing problem. He added that under the DBO contracts, the Government provided

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land at nil premium for setting up the dedicated stations. The DBO contracts were awarded to the bidders who offered the lowest operating prices. This had effectively capped the price of LPG at dedicated stations and reduced the overall fuel cost of drivers. Experience had shown that the Pricing Formula which capped the LPG prices at dedicated stations also had the effect of restraining price hikes at non-dedicated stations.

13. DEMS further explained that as the LPG international price was a pass-through element while the operating price was fixed at the level submitted by the bidders during the tender stage, the new mechanism to change the frequency of LPG ceiling price adjustment from half-yearly to monthly with reference to LPG international price movements (which could move upwards or downwards) would be cost neutral to the LPG vehicle users over time. The introduction of more frequent price adjustments under the Pricing Formula for dedicated stations did not in itself increase the fuel cost for the transport trades. The Administration had also examined the alternative of three-monthly price adjustments but considered it unable to solve the queuing problem. The reasons had been explained in detail to the vehicle trades.

14. Ms Miriam LAU said that she was satisfied that the Administration had conducted consultations with the trades rather comprehensively, including associations of vehicle owners and drivers. In her view, the crux of the matter was that the Administration should clearly explain to the parties concerned the rationale for introducing the new price adjustment mechanism and how effective monitoring could be achieved to prevent the operators of dedicated stations from manipulating the price changes to their advantage. She pointed out that the transport trades had often criticized that fuel suppliers were always quick in raising fuel prices and slow in reducing the prices.

15. Mr Jeffrey LAM agreed that the new price adjustment mechanism to reflect more timely changes in LPG international price was reasonable. He said that he had learned from the taxi trade that quite a large number of drivers were appreciative of the objective of the revised price adjustment mechanism to address the issue of queuing at dedicated stations and supported the change. Some drivers however had expressed concern about the possible consequences of frequent price increases and stressed that the operators should be effectively regulated to ensure that they would lower the pump price as soon as possible when the LPG international price fell. He urged the Administration to take every possible measure to protect the trades so that they could continue to do business with a reasonable return.

16. DEMS and AD/EMS explained that the LPG ceiling price at dedicated stations was strictly capped by a Pricing Formula comprising LPG international price and operating price. As the operating price could not be changed by the operator during the entire contract period, and information on the international price would be updated and publicized on a monthly basis, the price adjustments would be completely transparent. Under the new mechanism, the operators would raise or lower their LPG prices on a monthly basis according to international price movements. Therefore, they could not

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raise prices quickly and lower prices slowly. The monthly adjustments would have to receive the Government's endorsement and be made known to the public through various channels such as press releases and the EMSD's website. Moreover, the trades could raise problems envisaged and give views on measures to improve the operation of the system for detailed discussion at the regular liaison meetings with the Administration. The EMSD, on its part, would continue to strengthen inspections of dedicated stations to ensure that there would be no irregularities in operation. DEMS further said that during most of the time in the past five years, the LPG international price and the local LPG pump price were relatively stable. The price differentials between dedicated and non-dedicated stations were also small because of the stabilizing effect of prices at dedicated stations. The substantial surge of LPG international prices since September 2005 was rather exceptional.

17. Noting that at present, about 74% of LPG vehicles were driven to the 12 dedicated stations for LPG refilling while the remaining 26% of the vehicles turned to the 42 non-dedicated stations, Ir Dr Raymond HO asked whether the setting up of dedicated stations had achieved the objective of stabilizing LPG ceiling prices. Ms LI Fung-ying questioned whether the dedicated stations had helped narrow the price differential between dedicated and non-dedicated stations.

18. DD/EP replied in the positive. He pointed out that in November 2000 the LPG price at non-dedicated stations was \$3.38 per litre. The price had fallen to \$3.27 per litre in the subsequent five-year period while the international price had risen by 50% during the same period, with an average price differential of only \$0.20 to 0.30 per litre between the two types of stations. This was attributed to the restraining effect of prices at dedicated stations on non-dedicated stations. DEMS added that the Administration would closely monitor the filling services provided at dedicated and non-dedicated stations. The revised price adjustment mechanism would reduce the time-lagging effect of prices at dedicated stations, and would help strike a better balance between supply and demand at dedicated and non-dedicated stations.

19. Ir Dr Raymond HO asked whether the Administration would introduce more operators of dedicated stations and set up more dedicated stations to increase competition. AD/EMS replied that the need for doing so had yet to be established because the present network of LPG filling stations was sufficient to meet the demand of LPG vehicles. Moreover, there had been oppositions from District Councils against setting up more LPG stations on the ground that it would cause nuisances to residents in the vicinity. Notwithstanding, one new non-dedicated station was opened in Kowloon Bay in January 2006, and three more (two in Tung Chung and one in Tai Po Kau) were expected to become operational in 2006 and 2007.

20. Ms LI Fung-ying asked whether the three non-dedicated stations in the pipeline as mentioned would be changed to dedicated stations. DEMS replied that the Administration was closely monitoring the stations network and the level of filling service provided by dedicated and non-dedicated stations. The Administration believed

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that the current situation of 74% of vehicles turning to dedicated stations was only short-term, prompted by the upward fluctuations in LPG international prices. In the longer-term perspective, as supported by past experience, LPG fillings at dedicated stations would stabilize and there would be more or less equal sharing of the total consumption of LPG at dedicated and non-dedicated stations.

21. Mr Andrew CHENG said that the public was concerned that the operators of dedicated stations would take advantage of the demand situation to reap excessive profits by manipulating the LPG supply at dedicated stations thereby forcing the vehicles to go to the non-dedicated stations. He noted that according to the Administration, the two dedicated stations operators had undertaken to do their best to deploy as many filling nozzles as possible at dedicated stations, and in any case not less than 70% during peak hours. He asked how the Administration could ensure that this would in fact be done. Mr CHENG further considered that the Administration should require the operators to improve their supply chain, including the LPG inventory and the LPG replenishment frequency, to meet the needs of LPG vehicles.

22. AD/EMS said that as explained by the Administration in its papers, the facilities of the two operators, including their LPG road tanker fleet, their oil terminal at Tsing Yi and the LPG supply chain were being stretched beyond the limits of their designed capacity. For example, the dedicated stations operated by one of the operators were designed to support a daily filling of 400 000 litres. But the current daily filling had reached the level of 580 000 litres. He further pointed out that on average each filling at dedicated stations took about five minutes. Assuming that 10 filling nozzles were operated at each station, 120 fillings or more could be done in an hour. The queuing at dedicated stations was due to the bottle-neck in the operators' supply chain rather than the alleged restriction of supply of LPG at dedicated stations. AD/EMS added that the Administration was satisfied that the operators had taken appropriate measures to address the queuing problem and marked improvements had been made. To his understanding, some dedicated stations were now operating about 80% of their filling nozzles during rush hours. The operators had also increased their LPG road tanker delivery service by maintaining nearly 24-hour operation daily. The latest figure had shown that the number of complaints received from users of dedicated stations was on a declining trend, falling from 306 in December 2005 to 14 since 1 January 2006.

23. Mr CHEUNG Hok-ming said that he had met with some representatives of LPG drivers on 19 January 2006 and they complained that still less than 70% of the LPG filling nozzles at dedicated stations were being operated during peak hours. He considered that the Administration should take necessary measures to ensure adequate replenishment of LPG to the dedicated stations so that the nozzles could be more fully utilized.

24. DEMS said that under the present situation of heavy demand at dedicated stations, a large part of the LPG inventory at dedicated stations was used up even during non-peak hours and there were practical difficulties in carrying out timely

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replenishments due to the limitations of the supply chains of the operators. He reiterated that the current situation was exceptional, arising from short-term widening of the price-gap between dedicated and non-dedicated stations. The Administration was taking a two-pronged approach to address the issue, namely by introducing monthly adjustments of ceiling price at dedicated stations and enhancing communication with the operators and the LPG vehicle trades on means to improve the supply chain and operation of the filling stations. He added that some measures to improve the supply chain, such as procurement of more road tankers by the operators, would take time for implementation.

25. Mr Albert CHENG agreed that the supply chain should be reviewed and improved. He further remarked that the two operators of dedicated stations being commercial operators should bear the risk of loss in running their business. Under the DBO contracts, the operators received concession of zero land premium, and they were bound by the half-yearly price adjustments. In Mr CHENG's view, it was not fair to change the adjustment frequency of ceiling price at monthly intervals which would result in increase in the price. He asked whether there were provisions in the DBO contracts restricting ceiling price fluctuations at dedicated stations. In response, DEMS and AD/EMS explained that the Conditions of Contract contained in the contract document stipulated the Pricing Formula which comprised the LPG international price and operating price. The ceiling price could therefore be changed with movements of the international price. The Conditions of Contract also specified a mechanism for reviewing the Pricing Formula at five-yearly intervals. The date for implementation of the review result fell on 1 February 2006. The present proposal on monthly adjustment of ceiling price in line with international price movements did not contravene the review mechanism set out in the contracts nor would it by itself result in increase in LPG prices at non-dedicated stations.

## Motion

26. The Chairman read out the motion moved by Mr WONG Kwok-hing as follows –

“邀請全部業界，包括工會派出代表出席本委員會就石油氣價新調整機制發表意見，以便本委員會可充分聆聽意見，公開、公平、公正地處理調整氣價新機制。在本委員會作出決定前，調整機制維持不變。”

27. Mrs Selina CHOW proposed to amend Mr WONG Kwok-hing's motion. The motion as amended read as follows –

“邀請全部業界派出代表出席本委員會就石油氣價新調整機制發表意見，以便本委員會可以充分聆聽意見，公開、公平、公正地處理調整氣價新機制。”

28. The Chairman invited Mr WONG Kwok-hing to speak on his motion and the amendment proposed by Mrs Selina CHOW.

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29. Mr WONG Kwok-hing said that the Administration's proposal on adjusting LPG ceiling prices at dedicated stations on a monthly basis would impact most significantly on professional vehicle drivers such as LPG taxi and public light bus drivers but the Administration had not taken full heed of the drivers' views and dissatisfactions. He pointed out that at the Administration's meetings with the trades on 30 and 31 December 2005, no representatives from trade unions or workers' associations were present. In his view, the Panel should give full opportunity for the drivers to explain their concerns before the Panel decided whether to support the revised price adjustment mechanism proposed by the Administration.

30. Mr WONG Kwok-hing further said that Mrs Selina CHOW's amendment to delete the words “包括工會” after “全部業界” substantially altered the scope of the consultation intended under his original motion. Also, in his view, Mrs CHOW's proposal to delete the last sentence of his motion “在本委員會作出決定前，調整機制維持不變” was indicative of the Liberal Party's support for a wrong Government decision, which was biased in favour of the LPG stations operators while sacrificing the interests of vehicle drivers. Miss CHAN Yuen-han said that whilst she was not a Panel member, she supported retaining the last sentence in Mr WONG Kwok-hing's motion because trade unions and the drivers were in strong opposition of the revised price adjustment mechanism.

31. DD/EP said that the Administration considered that trade unions and workers' associations were part of the transport trades, and hence the consultations undertaken by the Administration had always included representatives of such organizations. Referring to notes of the meetings on 30 and 31 December 2005 [Annex B of LC paper No. CB742/05-06(03)], DD/EP said that vehicle drivers and trade unions were fully represented at the meetings, including 汽車交通運輸業總工會, 交通事業從業員協會, 市區的士司機聯委會有限公司, 新界的士司機權益大聯盟, 新界的士司機協會, and 香港公共小巴車主司機協進總會 etc.

32. Mrs Selina CHOW said that the meaning and scope of “全部業界” already covered “工會” and hence the reference to “包括工會” was unnecessary. Regarding her amendment to delete the last sentence of Mr WONG Kwok-hing's motion, Mrs CHOW explained that the Liberal Party's position was that the Administration's proposal to implement monthly price adjustments with effect from 1 February 2006 to enable the price to move timely and in line with international price fluctuations would be more beneficial to the vehicle trades. She pointed out that if the revised price adjustment cycle from half-yearly to monthly was not implemented in February 2006, any fall in LPG international price in the six-month period from 1 February 2006 could not result in a corresponding reduction in the ceiling price at dedicated stations until 1 August 2006 because the price was not due for adjustment. Hypothetically, for example, a reduction in the international price in February 2006 could not be reflected in a corresponding reduction in the ceiling price at dedicated stations in March 2006. This would be detrimental to the interests of the trades and the drivers. Mrs Selina CHOW further said

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that Mr WONG Kwok-hing's allegation that the Liberal Party was biased in favour of the operators and at the expense of vehicle drivers was unfounded.

33. Ms Miriam LAU and Mr Jeffrey LAM supported Mrs Selina CHOW's views. Ms Miriam LAU said that all along, trade unions were recognized as part of the vehicle trades. It was not necessary to single out trade unions from the trades. As the LegCo Member representing the transport functional constituency, she had consulted all such relevant parties on matters affecting the trades. She was given to understand that the Administration had in fact consulted the relevant trade unions, including 汽車交通運輸業總工會, on the new price adjustment mechanism. Ms LAU added that given the drastic surge of LPG international prices in the past few months, the ceiling price at dedicated stations was likely to be increased when the price adjustment took effect on 1 February 2006. However, there was all the likelihood that the international price would fall afterwards. If the price at dedicated stations was increased on 1 February 2006 and the current half-yearly price review mechanism was not changed, the vehicle trades would not be able to benefit from subsequent falls in the international price as the price at dedicated stations could not be reduced correspondingly in a timely manner.

34. AD/EMS advised members that past experience indicated that the LPG international price tended to adjust downwards in the first quarter of the year.

35. Mr Albert CHENG said that he had no strong views on whether the words “包括工會” should be removed or retained, provided that members unanimously agreed that trade unions and vehicles drivers should be consulted. However, he considered that the deletion of the last sentence from Mr WONG Kwok-hing's motion could make a significant difference as it would imply that further consultation conducted by the Panel would bear no influence on the Administration's decision to implement the revised adjustment mechanism with effect from 1 February 2006.

36. The Chairman and Mr Albert CHENG enquired about the possibility of making price adjustment in February 2006 under the current adjustment mechanism, and adopting a modified mechanism after February 2006 but before August 2006, pointing out that the Panel might hold a meeting in February to further discuss the matter with the Administration and the LPG vehicle trades before deciding whether the proposed new adjustment mechanism should be supported. Ms LI Fung-hing considered that the Administration should explore the feasibility of such arrangement.

37. AD/EMS and DD/EP explained that the Government could not unilaterally change the contract terms without the agreement of the operators. Under the new mechanism, the price at dedicated stations would be adjusted monthly, based on the LPG international price for the preceding month. If the current six-monthly adjustment mechanism was maintained after February 2006, according to the terms and conditions of the DBO contracts with the operators, the price at dedicated stations would stay unchanged during the period February 2006 to July 2006, even if there were changes (upward or downward) in LPG international price during the period.

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38. Ms Miriam LAU and Mr Jeffrey LAM informed members that in their consultation with the trades, they got the understanding that the trades were aware of the consequences and the pros and cons of the existing and revised price adjustment mechanism. Mr LAM said that some members of the trades had indicated that they would like to implement the revised mechanism early so as to take advantage of the expected fall in LPG international price.

39. The Chairman put Mr WONG Kwok-hing's motion as amended by Mrs Selina CHOW to vote. Six members voted for and five members voted against. The Chairman declared that Mr WONG Kwok-hing's motion as amended by Mrs Selina CHOW was passed. The wordings of the amended motion were as follows:

“邀請全部業界派出代表出席本委員會就石油氣價新調整機制發表意見，以便本委員會可以充分聆聽意見，公開、公平、公正地處理調整氣價新機制。”

English translation

“Representatives from all parties in the trade concerned should be invited to attend a meeting of this Panel to express their views on the new mechanism for adjusting LPG prices so as to enable this Panel to fully listen to these views and deal with the new mechanism in an open, fair and square manner.”

**V Permitted operating areas for New Territories taxis**

- LC Paper No. CB(1)651/05-06(03) - Submission from The Hong Kong Taxi and Public Light Bus Association Ltd
- LC Paper No. CB(1)651/05-06(04) - Submission from 交通事業從業員協會
- LC Paper No. CB(1)704/05-06(03) - Submission from Hong Kong Disable Mutual Aid Association
- LC Paper No. CB(1)738/05-06(01) - Submission from Tuen Mun District Councillor Ms Josephine S Y CHAN
- LC Paper No. CB(1)742/05-06(01) - Submission from Tuen Mun District Councillor Mr Albert HO Chun-yan
- LC Paper No. CB(1)742/05-06(02) - Submission from Tuen Mun District Councillor Ms FONG Lai-man
- LC Paper No. CB(1)704/05-06(04) - Information paper provided by the Administration)

40. The Chairman welcomed the deputations to the meeting. He then invited the deputations to take turn and present their views on the permitted operating areas for New Territories (NT) taxis. He said that in order to better manage the meeting time and to



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ensure fairness to all deputations, each deputation would be given two minutes to present views.

Kowloon Taxi Owners Association Ltd.

*(LC Paper Nos. CB(1)651/05-06(06) and (07))*

41. Mr YUM Tai-ping, Chairman of the Association, said that NT taxis should strive for permission for access to various cross-boundary control points and vigorous enforcement against unauthorized transport services in the NT areas, instead of seeking to intrude into the operating areas of urban and Lantau taxis. The urban taxi trade was determined to safeguard the trade's legitimate interest. He requested LegCo Members elected from the NT constituencies to handle the request from NT taxis to further expand their operating areas to cover Asia World-Expo and Tung Chung Cable Car System in an impartial manner.

42. Mr YUM further said that the suggestion of merging the three taxi trades was impractical, as so doing would inevitably lead to excessive supply of taxis in urban districts and inadequate supply of taxis in remote or rural districts. It would also defeat the original objective of introducing NT taxis which was to provide taxi services to the rural areas in NT.

United Friendship Taxi Owners & Drivers Association Ltd

*(LC Paper No. CB(1)704/05-06(06))*

43. Mr LEUNG Chak-sang, Chairman of the Association, said that the primary objective of introducing NT taxis was to provide taxi services to the relatively remote areas in NT. In fact, there had been substantial growth of population in NT over the past decades. The Government should adhere to the established policy in respect of NT taxis. He considered that the proposal for expanding the permitted operating areas for NT taxis on this occasion was made by a small group of people with vested interests. They were trying to create a speculative environment for NT taxi licences. Their proposal was unreasonable and groundless.

Sun Hing Taxi Radio Service General Association

44. Mr CHAN Wai-ming, Chairman of the Association, said that over the past few decades, NT taxis had been operating in a very disciplined manner, and had never made any unreasonable or excessive demand. The Government's refusal to allow NT taxis to have limited access to Asia World-Expo and Tung Chung Cable Car Terminal was in effect depriving NT residents of the choice of direct taxi service between their homes and the two new facilities. In fact, the existing legislation governing the permitted operating areas of NT taxis was very confusing. It prevented NT taxis from servicing NT residents for direct access to a number of important public facilities.

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Right for Taxi Owner and Driver Association Limited

45. 劉劍魂先生, Chairman of the Association, said that the taxi trades should collaborate rather than compete with one another. A society and its citizens would prosper only when the stability of the society was maintained. He urged all the taxi trades to operate within their own legitimate operating areas and not to attempt to intrude into the operating areas of other trades, thereby disrupting the order and stability of the sector and the society as a whole.

Sun Hing Taxi Radio Association

46. 陳明生先生, Chairman of the Association, said that NT taxis were only seeking to cater for the travel demand of NT residents; they were not seeking to service the residents of other districts nor were they trying to intrude into the operating areas of other taxi trades.

The Fraternity Association of NT Taxi Merchants

47. 何治勤先生, Vice-Chairman of the Association, said that while there might be sufficient public transport services for Asia World-Expo and Tung Chung Cable Car Terminal, some NT passengers with special needs might have difficulties in using public transport services other than taxis, and NT taxis would be able to fill this service gap. The Government should consider the needs of these passengers and permit NT taxis to operate between NT areas and the new facilities.

Urban Taxi Drivers Association Joint Committee Co. Ltd.

*(LC Paper No. CB(1)651/05-06(02))*

48. Mr KWOK Chi-piu, Chairman of the Association, said that the introduction of NT taxis in the 1970s was to provide taxi services between the rural areas and the new towns in NT. There had been substantial population growth in the rural areas in NT since 1970s. Nowadays, residents in the rural areas often found that there were insufficient NT taxis to service them. He urged the NT taxi trade to focus their efforts on safeguarding their own operating bases in the rural areas in NT, which were at present subject to intrusion by non-franchised buses and unauthorized transport services, and not to seek to intrude into the operating areas of the other taxi trades.

Tai Wo Motors Ltd.

*(LC Paper No. CB(1)651/05-06(05))*

49. Mr NG Fong, Chairman of the company, said that there should be clear demarcation of operating areas between NT taxis and urban taxis, as the two taxi trades paid different premiums for their taxi licences and they charged different fares. The urban taxi trade strongly objected to the intrusion by NT taxis into the operating areas of urban taxis.

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Hong Kong Tele-call Taxi Association

50. Mr WONG Yu-ting, Chairman of the Association, recalled that in early 2005 when the NT taxi trade paid a visit to Hong Kong Disneyland together with certain officials of the Transport Department (TD), the officials had promised the taxi trade that in order to facilitate convenient access of tourists to Tung Chung Cable Car Terminal, the Government would permit NT taxis to access the Terminal. However, subsequently, without prior consultation with the NT taxi trade and relevant District Councils, TD issued a letter to the trade advising that NT taxis would not be permitted to access the Terminal. Now the NT taxi trade was only asking what TD had promised the trade.

51. Mr WONG expressed strong dissatisfaction that over the past six years or so, TD had issued excessive licences to non-franchised bus operators to operate in NT, and had not exercised due diligence in combating unauthorized transport services. These developments had had detrimental effects on the operation of NT taxis. Yet, TD had refused to admit their faults. He pointed out that at present, some 200 NT taxis were being laid up due to the poor operating situation of the trade. Notwithstanding this, the Administration continued to issue excessive licences to non-franchised buses to operate in NT areas.

New Territories Taxi Operations Union

52. Mr CHAN Shu-sang, Chairman of the Union, cited a Chinese poem to illustrate the need for the taxi trades to collaborate instead of arguing among themselves. He said that all along, the taxi trades had maintained a harmonious relationship even when the question of whether NT taxis should be permitted access along specified routes to Hong Kong Disneyland and the departure area of the new air passenger terminal at SkyPlaza of the Airport was discussed among the taxi trades. He hoped that the urban and Lantau taxi trades would duly consider the difficult operating situation of the NT taxi trade and the travel needs of NT residents, and support the request for allowing NT taxis to operate at the AsiaWorld-Expo and Tung Chung Cable Car Terminal.

Hong Kong Kowloon Taxi & Lorry Owners Association Ltd

53. Mr MAN Hon-ming, Director of the Association, said that NT taxis were only permitted to provide point-to-point service to/from Hong Kong Disneyland and the Airport along specified routes. The permission could be said as of a “road borrowing” nature. The Association strongly objected to NT taxis expanding their operating areas to Lantau. Instead, the taxi trades should respect the operating areas as specified by law. Only if all the taxi trades respected the law, could a harmonious relationship be maintained among the trades. In fact, there had been a lot of new developments in NT areas generating additional travel demands. But the proliferation of unauthorized transport services in recent years had adversely affected NT taxi trade’s business. He urged the NT taxi trade to focus their efforts on demanding the Government to combat

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unauthorized transport services to safeguard their own legitimate operating areas. He also drew Members' attention to the fact that the permission for NT taxis to operate at Hong Kong Disneyland and the Airport was an exceptional arrangement. The arrangement did not have the implication that NT taxis would be allowed to operate at other upcoming major facilities in Lantau.

### Lantau Taxi Association

54. Mr CHAN Kam-hung, Chairman of the Association, urged LegCo Members not to seek amending the legislation to expand the operating areas of NT taxis for the sake of pleasing NT residents thereby canvassing their votes in future elections. He said that so doing would erode the operating scope of Lantau taxis. He also urged the owners of NT taxi licences not to fuel rumours about the expansion of the operating areas of NT taxis in order to push up taxi licence premiums. He strongly disagreed to the saying that Tung Chung and Chek Lap Kok were parts of NT. There were already frequent disputes between Lantau and NT taxis with regard to the latter's unauthorized operation between the Airport and Hong Kong Disneyland. Giving permission for NT taxis to operate at AsiaWorld-Expo and Tung Chung Cable Car Terminal would aggravate the problem of unauthorized operation of NT taxis in Lantau and hence the erosion of the operating scope of Lantau taxis.

### Hong Kong Taxi Association

55. Mr LAI Hoi-ping, Chairman of the Association, said that each citizen should respect the rule of law. The established policy regarding NT taxis should be adhered to, otherwise investors including international investors would lose confidence in Hong Kong. If NT taxis wished to operate as urban taxis, they could purchase urban taxi licences freely in the market. He appealed to LegCo Members to consider the matter from an impartial perspective and turn down the unreasonable request of NT taxis on this occasion.

### The Taxi Operators Association Limited

56. Mr LEUNG Shui-cheong, Chairman of the Association, said that there had been continuous population growth in NT and thus the demand for NT taxi service had been increasing. There had also been new hospitals built in NT and expansion of existing hospitals. Users of the hospitals were a major category of patrons of NT taxi services. NT taxis should therefore be satisfied with the existing permitted operating areas for them.

### 新界的士聯合陣線

(*LC Paper No. CB(1)651/05-06(08)*)

57. 黎銘洪先生, 聯合陣線召集人, drew members' attention to a number of letters from individual Tuen Mun District Councillors from different political affiliations

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expressing support for NT taxis to operate at AsiaWorld-Expo and Tung Chung Cable Car Terminal. He commented that TD's decision of not permitting NT taxis to operate at these two new public facilities was a wrong decision. This was to the detriment of residents in rural NT areas as they would not be able to use taxi service for direct access to the two new facilities. Apart from some 3.7 million NT residents, TD's decision was also unfair to tourists coming to Hong Kong through the cross-boundary control points. He urged LegCo Members to rectify TD's decision.

58. Rebutting the accusation that NT taxis were intruding into the operating areas of urban and Lantau taxis, Mr LAI pointed out that any permission for NT taxis to operate at the two new facilities would be point-to-point service only and limited access along specified routes; they would not be allowed to provide service between different locations in Lantau. Mr LAI further stressed that he had no vested interest in the taxi or public light bus trades. He was only voicing his opinions for the purpose of serving the community at large.

## Discussion

59. Mr Albert CHENG said that the Government's policy on taxi service was outdated. The circumstances had changed substantially since the introduction of NT taxis in 1976. As a LegCo Member, he would consider the matter from an impartial angle. The conflicts among the taxi trades as revealed at this meeting involved licence premium speculation, which in turn hinged on the scope of operating areas for each taxi trade. He considered that as NT taxis were allowed to operate at the Airport and the Asia World-Expo was within the confines of the Airport, NT taxis should also be allowed to operate at Asia World-Expo. On the other hand, since at present NT taxis were not allowed to operate at Tung Chung, there was no strong reason to change the existing policy to allow NT taxis to operate at the Tung Chung Cable Car Terminal.

60. The Deputy Commissioner for Transport (DC for T) said that the intention for introducing NT taxis in 1970s was to provide taxi services to the rural areas in the NT. Permitted operating areas were drawn up to confine NT taxi operation to mainly the north-eastern (i.e. north of Sha Tin) and north-western NT (i.e. north of Tsuen Wan). This was to ensure that the more remote and rural areas of NT would have adequate provision of taxi services, and to replace the then unlawful "Pak-pai" service. In the light of changing circumstances in the past decades, NT taxis had been given permission to access some major public facilities or public transport interchanges at the periphery of urban areas. The access must be along specified routes with no picking up or dropping off activities allowed along the routes.

61. DC for T explained that as the Airport was a major infrastructure facility and there was a strong demand from NT residents for access to the Airport, the Administration having considered various relevant factors and after extensive consultation with the taxi trades, agreed to give permission for NT taxis to access the existing passenger terminal at the Airport and Airport Express Line Tsing Yi Station along specified routes. Also, as

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a result of a recent review conducted in 2004, the Administration also proposed to permit NT taxis to access the departure area of the new air passenger terminal at SkyPlaza of the Airport to facilitate NT taxi passengers to depart from the new passenger terminal. This Panel was consulted in February 2005 and supported the proposal. Hence, apart from the passenger departure facilities of the Airport, NT taxis had not been given permission to access other locations in Chek Lap Kok.

62. Ms Miriam LAU expressed regret for having the various taxi trades arguing among themselves on the permitted operating areas for NT taxis in this open forum. She considered that this kind of open debate was by no means an effective way to reconcile differences among the trades. In the past, any contemplated changes to the permitted operating areas for NT taxis were only put forth to the Panel for consideration after the Administration had made extensive consultation with the taxi trades during which differences were reconciled. She considered that the appropriate way of handling the request from NT taxis to expand their permitted operating areas was for TD to arrange structured consultation sessions with the trades to work out viable solutions.

63. Ms Miriam LAU further said that based on what she had gathered from the taxi trades, the whole taxi service sector was in fact operating under very difficult conditions and it appeared that the operating situation of NT taxis was particularly difficult with a few hundred taxis being laid up. She asked if the Administration had collected comprehensive information on the respective operating situations of the taxi trades. She also asked if there was still room for the three taxi trades to come together and discuss in a rational manner possible measures to enable NT taxis to maintain viable operation. She commented that in the long run, given the small size of Hong Kong, having three different taxi trades to operate in the territory was not a desirable arrangement. However, one should recognize the historical background of the trades, and thus should adopt a pragmatic attitude in considering any proposed change to the existing arrangements.

64. DC for T concurred with Ms LAU that it was difficult for the taxi trades to reconcile differences among themselves through debates in an open forum as the case of this Panel meeting. As regards the respective operating situations of the trades, she advised that the business of urban taxis had been picking up gradually with the recovery of the local economy while that of NT taxis had been rather stable. Based on communications with the urban and NT taxi trades, TD understood that their operating situation during day time was acceptable, but that of night time remained difficult. DC for T further said that the Administration would be happy to discuss with the taxi trades issues relating to their operating situations if the trades so wished.

65. Mr Andrew CHENG commented that there was a need to review the policy on taxi service. The present arrangement of having three different taxi trades providing taxi service in the territory might not suit the present-day circumstances. He emphasized that taxi service was a public transport service. Apart from consulting the trades, the Administration should also duly consider public views. He considered that the present mechanism for determining the permitted operating areas for NT taxis was far from

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satisfactory; review was undertaken on an ad hoc basis in the light of imminent opening of any new major public facility and only the transport trades would be consulted in each review. In the present case of the imminent opening of Asia World-Expo and Tung Chung Cable Car System, he considered that the two facilities were major public facilities that would be heavily patronized by the public and their success would be important for the local economy. If NT taxis were not permitted to access these two facilities, NT residents would be deprived of the choice of accessing the two new facilities direct by NT taxis. He pointed out that NT taxis' access to the new facilities, if permitted, would be confined to specified routes so that NT taxis would not be allowed to operate between different locations within Lantau. He thus was of the view that the Administration should undertake a comprehensive review of its policy on taxi service as soon as possible and that NT taxis should be allowed to operate at the two new facilities.

66. DC for T responded that the Government's policy on taxi service was very clear. Although there had been changes in circumstances since NT taxis were introduced in 1976, presently there were still some rural and remote places in NT requiring taxi service. Merging the three taxi trades would probably result in having too many taxis operating in busy urban areas and inadequate taxis to service rural and remote NT areas. It would also give rise to very complicated issues, as the licences of the three taxi trades had different market premiums and the different taxi services were subject to different fare schedules. It was also questionable whether the trades would accept such a change. In order to maintain a stable operating environment for the taxi trades, the Government had frozen the number of taxi licences for some years and so far, the operation of the trades had been smooth at large. The Administration therefore did not see a strong need to change the existing policy on taxi service.

67. The Principal Assistant Secretary for the Environment, Transport and Works supplemented that at present, each taxi trade had their own roles and permitted operating areas. The Administration's primary objective was to ensure that the public was provided with adequate taxi service. As the existing policy was conducive to maintaining adequate taxi service for various areas in the territory including the relatively remote areas, the Administration did not have any plan to change the existing policy.

68. Mr LEUNG Kwok-hung commented that it was understandable that as NT taxis were faced with very difficult operating conditions, they would ask for expanding their permitted operating areas to improve their operating situation. However, NT taxis' request would inevitably arouse strong reaction from urban and Lantau taxis as their business would be adversely affected given that competition among the taxi trades was essentially a "zero sum" game. Merging the three taxi trades would fuel speculation activities on taxi licences. He considered that the major problems facing the taxi trades were the endemic activities of the "70% discount" taxi gangs, the inadequate supply of LPG at dedicated LPG stations and the collusive acts of corporations on taxi licence premiums and taxi rentals. The Administration's confused policies had also contributed to the difficult operating situation of NT taxis; it had allowed too many non-franchised

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buses to operate in NT areas and introduced too many green minibus (GMB) routes. He considered that allowing NT taxis to operate at Asia World-Expo but not at Tung Chung Cable Car Terminal was in line with the existing policy, but emphasized that this was not a significant issue when compared with other more important issues mentioned above.

69. Noting the Administration's claim that it would review the permitted operating areas for NT taxis from time to time in response to changing circumstances, Ms LI Fung-ying asked whether the Administration had any mechanism for regular review of the permitted operating areas, what factors would be considered under the mechanism and how a balance would be struck among the various factors.

70. DC for T responded that the Administration would review the permitted operating areas for NT taxis when any major infrastructure facility in the vicinity of NT was about to be commissioned. She then cited the factors that would be taken into account as detailed in paragraph 4 of the Administration's information paper, highlighting the need to duly consider the views of the taxi trades. She also remarked that the Administration would undertake each review very carefully with a view to striking a delicate and proper balance between public demand for taxi service and the taxi trades' interests.

71. Ms LI Fung-ying further said that when Hong Kong Disneyland and the Airport commissioned, the taxi trades had adopted a conciliating attitude and could come to a consensus on permitting NT taxis to operate at these new facilities. The present request of NT taxis was not opening up the entire Chek Lap Kok or Lantau Island for their operation. They were only seeking to provide point-to-point service between NT areas and Asia World-Expo and Tung Chung Cable Car Terminal. She understood that the operating situation of NT taxis was very difficult, and appealed to the urban and Lantau taxi trades to again adopt a conciliating attitude to discuss the suggestion of allowing NT taxis to access the new facilities along specified routes.

72. Mr YUM Tai-ping, Chairman of Kowloon Taxi Owners Association Ltd., said that when the urban taxi trade was consulted on the proposal to permit NT taxis to access the Airport, the trade only agreed to allow NT taxis to access the passenger terminal of the Airport, not any other places of Chek Lap Kok. NT taxis were making relentless requests for further expansion of their permitted operating areas. Apart from Asia World-Expo and Tung Chung Cable Car Terminal, they were also asking to operate at Choi Hung MTR Station at Ping Shek and Tseung Kwan O Industrial Estate. On this occasion, they even sought to use this forum to stage their unreasonable demands and therefore had provoked a strong reaction from the urban taxi trade. Urban taxis were determined to safeguard their rightful interest.

73. 劉劍魂先生, 主席 of Right for Taxi Owner and Driver Association Limited, said that NT taxis' requests to expand their permitted operating areas were unacceptable. They were trying to expand their operating areas indefinitely. Acceding to their requests would not satisfy their greed and would only encourage them to ask for more.



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74. Mr KWOK Chi-piu, Chairman of Urban Taxi Drivers Association Joint Committee Co. Ltd., said that at present, many NT taxis also operated between Hong Kong Disneyland and the Airport. NT taxis were making unrelenting demands for expanding their permitted operating areas. They should safeguard their own business domain from the intrusion of other transport modes, instead of trying to intrude into the operating areas of the other taxi trades to compensate for the business lost to other transport modes.

75. Ir Dr Raymond HO said that due to historical reasons, the taxi trades had evolved into a complicated sector involving more than 40 trade organizations. When the economy was not at a good time, each trade would try hard to seize opportunities to enhance their operating situations. He shared the view that this Panel was not in a position to reconcile the differences among the taxi trades and there was a need to conduct a comprehensive review of the policy on taxi service. The Administration should not be complacent. Unfortunately, the Administration's attitude had all along been evasive, giving the excuses that very complicated issues were involved and any substantial change might upset the existing balance etc. He saw that with the continual development of railway service and franchised and non-franchised bus services, the operating environment of taxis was getting more and more difficult. He had repeatedly asked the Administration to clarify its relevant policies. For instance, as the patronage of railway service would reach 40% of the total patronage of public transport services in the foreseeable future, the Administration should state its policy clearly regarding the future roles and development of other public transport modes. Without a clear policy indication, investors would not have confidence to make long-term investment.

76. DC for T clarified that the Administration was not complacent. Whenever the need arose, the Administration would undertake a review of the permitted operating areas for NT taxis in consultation with the trades and this Panel. As regards railway development, the Government had a long-term development strategy which had been well publicized. The Administration was fully aware that any new railway line coming into operation would affect various public transport modes and would assess the impact at the early planning stage. The Administration had all along been very willing to discuss with the various public transport trades to address their concerns.

77. Ir Dr Raymond HO was not satisfied with DC for T's response. He commented that taxi service was very important affecting the public's quality of life. The experience in some overseas places regarding the role of taxi service in face of railway development was worth drawing reference from. He hoped that all concerned parties could adopt a conciliating attitude to address the problems which the trades were faced with.

78. Mrs Selina CHOW commented that it was understandable that each taxi trade would try to safeguard their respective business interests. There was a complicated historical background to the present problem faced by the NT taxi trade. The circumstances had changed a lot since NT taxis were introduced in 1976. Many NT areas had been urbanized. Apart from the growth in population, the promotion of

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tourism in NT areas had generated increased demand for public transport services in NT. However, NT taxis did not feel that they had benefited from these developments. She considered that the crux of the problem was that the Administration had been reluctant to undertake a comprehensive review of the policy on taxi service in the territory. The Administration just let issues prop up and then act passively as a mediator among the taxi trades on each occasion. NT taxis were indeed facing a very difficult operating situation, while urban and Lantau taxis had to safeguard their operating bases lest the viability of their business would be at risk. The Administration should explore viable ways to relieve the hardship of NT taxis such as allowing NT taxis to change their mode of operation. There was a strong need for the Administration to review the matter comprehensively, with a view to working out viable long-term solutions, instead of tackling the matter on a piece-meal and ad hoc basis.

79. DC for T said that the Administration had all along kept a close watch over the taxi trades' operating situations and made ongoing review of the relevant policy. As to the suggestion of allowing NT taxis to change their mode of operation, the Administration must consider the suggestion very carefully as such change would have implications on other public transport trades. Given the various stakeholders involved, the matter could be very complicated. As regards the operating environment for NT taxis, she advised that with new cross-boundary control points coming into operation in the near future, the Administration would consider whether NT taxis should be allowed to operate at these locations.

80. Noting that some deputations had indicated their wish to give further views, the Chairman invited them to present their further views.

81. Mr CHAN Shu-sang, Chairman of New Territories Taxi Operations Union, said that the policy that NT taxis should service rural and remote NT areas was established in 1976. At that time, there were no GMB routes in NT areas. Now there were tens of such routes in each of the Yuen Long, Tuen Mun, Sheung Shui and Tai Po districts. With so many GMB routes, there was little demand for taxi service in those districts. Moreover, many large residential developments in NT were serviced by non-franchised buses. It was evident that the Government had given little attention to the operating situation of NT taxis. He appealed to LegCo Members and other taxi trades for their understanding of NT taxis' difficult operating situation and for their assistance in finding ways to enable NT taxis to maintain viable operation.

82. 黎銘洪先生, 新界的士聯合陣線召集人, commented that TD had only repeatedly stated that they would review the permitted operating areas for NT taxis in the light of changing circumstances, but had done little to tackle the problems faced by NT taxis. The question of whether NT taxis should be permitted to access Asia World-Expo and Tung Chung Cable Car Terminal not only involved the interests of different taxi trades but the right of NT residents to choose from different transport modes. He questioned why the Administration had not given consideration to the need of NT residents to have direct access to the two new facilities by NT taxis. Although NT

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residents might take urban taxis, many urban taxi drivers were not familiar with the road networks in NT areas.

83. Mr CHAN Kam-hung, Chairman of Lantau Taxi Association, said that many Lantau residents often went to the Mainland to visit their relatives and to Sha Tin Racecourse. Using the same argument put forward by NT taxis, Lantau taxis should also be allowed to access Lok Ma Chau and other control points and Sha Tin Racecourse. The fact was that Lantau taxis were not allowed to access any location outside Lantau. Hong Kong Disneyland, the Airport, Tung Chung Cable Car System were all located in Lantau, not NT. NT taxis must not be allowed to ever expand their operation to various places in Lantau; otherwise, Lantau taxis would be left with little survival space.

84. Mr WONG Yu-ting, Chairman of Hong Kong Tele-call Taxi Association, said that he personally would not object to Lantau taxis applying to access certain facilities located in NT to service Lantau residents. He further said that TD's claim that it reviewed from time to time the permitted operating areas for NT taxis having regard to NT taxis' operating situation was a lie, and asked TD to provide concrete information on when such reviews had been conducted in consultation with NT taxis. He also said that TD had not ever consulted the NT taxi trade on the issuance of non-franchised bus licences.

85. Ms Miriam LAU urged the Administration to arrange a meeting with the taxi trades to discuss with them the issues raised at this meeting and she hoped that a rational conclusion could be arrived at. She also asked the Administration to attend to the problems faced by the entire taxi service sector, as all the taxi trades were faced with a difficult operating environment. She requested TD to conduct a comprehensive survey to assess the operating situations of the trades. In particular, if it was found that some 200 NT taxis were really being laid up due to the lack of business, the Administration must take active measures to assist the trade.

86. DC for T assured members that TD would further discuss with the taxi trades and would try to address their concerns over various operational issues. In actual practice, TD conducted relevant surveys from time to time to keep abreast of the operating conditions of the various taxi trades as appropriate and reviewed the permitted operating areas for NT taxis. The Administration would look into the operating situation of taxi trades and discuss with the trades possible relief measures. The Administration would also continue to combat unauthorized transport services vigorously.

87. The Chairman said that as all concerned parties had expressed their views on the subject under discussion, he requested the Administration to maintain close liaison with the taxi trades and follow up the issues raised. He thanked the deputations and the Administration for attending the meeting.

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**VI Progress of the merger discussions between MTR Corporation Limited and Kowloon-Canton Railway Corporation**

(LC Paper No. CB(1)704/05-06(05) - Information paper provided by the Administration)

88. Members agreed to defer the discussion of this item to a future meeting.

**VII Any other business**

89. There being no other business, the meeting ended at 12:45 pm.

Council Business Division 1  
Legislative Council Secretariat  
2 March 2006