

**立法會**  
**Legislative Council**

LC Paper No. CB(1)1558/05-06  
(These minutes have been seen  
by the Administration)

Ref : CB1/PL/TP/1

**Panel on Transport**

**Minutes of meeting held on  
Friday, 24 March 2006, at 9:00 am  
in the Chamber of the Legislative Council Building**

- Members present** : Hon LAU Kong-wah, JP (Chairman)  
Ir Dr Hon Raymond HO Chung-tai, S.B.St.J., JP  
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP  
Hon Miriam LAU Kin-ye, GBS, JP  
Hon TAM Yiu-chung, GBS, JP  
Hon Abraham SHEK Lai-him, JP  
Hon LI Fung-ying, BBS, JP  
Hon Tommy CHEUNG Yu-yan, JP  
Hon Albert CHAN Wai-yip  
Hon WONG Kwok-hing, MH  
Hon LEE Wing-tat  
Hon Jeffrey LAM Kin-fung, SBS, JP  
Hon LEUNG Kwok-hung  
Hon CHEUNG Hok-ming, SBS, JP  
Hon Albert Jinghan CHENG
- Members attending** : Hon LEE Cheuk-yan  
Hon James TO Kun-sun
- Members absent** : Hon Andrew CHENG Kar-foo (Deputy Chairman)  
Hon LAU Chin-shek, JP

**Public Officers  
attending**

**: Agenda item IV**

Miss Cathy CHU  
Deputy Secretary for the Environment, Transport and Works  
(Transport)2

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

Mr Don HO  
Assistant Commissioner for Transport/  
Management and Paratransit

Mrs Lily LAM  
Principal Transport Officer/New Territories  
Transport Department

Mr Ken HUI  
Chief Transport Officer/Taxi Planning  
Transport Department

Mr B D M HANCOCK  
Chief Superintendent of Police/  
Traffic Branch Headquarters

Mr CHEUNG Sau-wah  
Senior Superintendent of Police/  
Traffic Management and Prosecutions Bureau  
(Traffic Branch Headquarters)

Mr LAU Fu-sang  
District Commander/Airport District  
Hong Kong Police Force

Mr Howard ENG  
Airport Management Director  
Airport Authority Hong Kong

Mr Eric WONG  
General Manager/Terminal  
Airport Authority Hong Kong

**Agenda item V**

Ms Annie CHOI  
Deputy Secretary for the Environment, Transport and Works  
(Transport)<sup>3</sup>

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

Mr TSANG King-man  
Assistant Commissioner for Transport/  
Technical Services

**Attendance by  
invitation**

**: Agenda item IV**

Sun Hing Taxi Radio Association

Mr CHAN Ming-sang  
Chairman

Right for Taxi Owner and Driver Association Limited

Mr LAU Kim-wan  
Chairman

Hong Kong Taxi Association

Mr LAI Hoi-ping  
Chairman

N.W. Area Taxi Drivers & Operators Association

黃永忠先生  
主席

New Territories Taxi Merchants Association Ltd.

Ms CHAN Oi-lin  
監事長

The Taxi Operators Association Ltd.

Mr LEUNG Shui-cheong  
Chairman

United Friendship Taxi Owners & Drivers Association Ltd.

Mr LEUNG Chak-sang  
Chairman

The Hong Kong Union of Light Van Employees

Mr IP Moon-lam  
Chairman

Tai Wo Motors Ltd.

Mr NG Hoi-shan, Aaron  
Vice-Chairman

Sun Hing Taxi Radio Service General Association

Mr CHAN Wai-ming  
Chairman

New Territories Taxi Operations Union

Mr CHAN Shu-sang  
Chairman

The Kowloon Taxi Owners Association Ltd.

Mr YUM Tai-ping  
Chairman

Hong Kong Tele-Call Taxi Association

Mr WONG Yu-ting  
Chairman

The Hong Kong Taxi & Public Light Bus Association  
Limited

Mr TRAN Chau  
Chairman

Chung Shing Taxi Limited

Mr CHENG Hak-wo  
Chairman

Taxi Dealers & Owners Association Limited

Mr NG Kwan-sing  
Vice-Chairman

Shing Kee Lorry Transportation Company Limited

Mr CHAN Yiu-ming  
Assistant Customer Services Supervisor

New Territories Taxi Drivers' Rights Alliance

梁宇榮先生  
理事

Elephant Transportation Centre

Mr LEE Kam-man  
Proprietor

William Car Services Co.

Mr LEUNG Wai-bun, Ben  
General Manager

Rambo Taxi Owners' Association Ltd.

Mr LEE Chi-leung  
Chairman

Easyvan Calling Centre (Transport) Co. Ltd.

Ms CHEUNG Mei-bo  
Administrative Director

Royal Best Quality Taxi Association Ltd.

Mr WONG Ho  
Chairman

Wai Yik HK, Kln & NT Taxi Owners Association Ltd.

Mr LI Kwok-ying  
Secretary

Association of N.T. Radio Taxicabs Ltd.

Mr LAI Kin-man  
Chairman

Hong Kong Kowloon Taxi & Lorry Owners' Association Ltd.

Mr WONG Po-keung  
Director

東方貨運有限公司

Mr FAN Yuk-choi  
Manager

先鋒客貨車電召中心

Mr WONG Yung-shing  
Director

Wai Fat Taxi Owners Association Ltd.

Mr TONG Yeuk-fung  
Chairman

High Quality Transportation Centre

Mr YAN Man-kwong  
Proprietor

港鴻電召運輸有限公司

Mr LEUNG Wai-fung, Anson  
Chief Executive Officer

Yes Go Go Calling Centre (Transport) Co.

Mr CHAN Wing-tim  
Manager

Total Recall Transportation Centre

Mr WONG Chi-leung  
Representative

Transport and Logistics Workers' Union

Mr TAM Wai-to  
President

Kai Kee Van

Mr YEUNG Tung-fong  
Manager

Dynasty Cargo-Passenger Service Paging Centre

Mr TSANG Wai-shek  
Manager

Urban Taxi Drivers Association Co., Ltd.

Mr KWOK Chi-piu  
Chairman

Taxi & PLB Concern Group

黎銘洪先生  
主席

Sai Kung Taxi Operators Association Ltd.

Mr LAU Hak-kai  
Chairman

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

**Staff in attendance** : Ms Sarah YUEN  
Senior Council Secretary (1)6

Miss Winnie CHENG  
Legislative Assistant (1)5

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**I Confirmation of minutes and matters arising**

(LC Paper No. CB(1)1020/05-06 - Minutes of the meeting held on 20 January 2006)

The minutes of the meeting held on 20 January 2006 were confirmed.

**II Information papers issued since last meeting**

(LC Paper No. CB(1)1040/05-06(01) - Referral from Duty Roster Members on monitoring of outlying island ferry services

LC Paper No. CB(1)1106/05-06(01) - Letter from Tuen Mun District Council's Traffic and Transport Committee expressing views and concerns on the motion passed by the Council on 8 March 2006 on measures to improve the traffic arrangements in the western and northwestern parts of the New Territories

LC Paper No. CB(1)1114/05-06(01) - Information paper on "Temporary Retention of One Supernumerary Chief Engineer Post in the Technical Services Branch of Transport Department" provided by the Administration)

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

**III Items for discussion at the next meeting scheduled for 28 April 2006**

(LC Paper No. CB(1)1139/05-06(01) - List of outstanding items for discussion

LC Paper No. CB(1)1139/05-06(02) - List of follow-up actions

LC Paper No. CB(1)1140/05-06(01) - A letter from Hon Albert CHAN dated 21 March 2006, requesting the Panel to discuss the issues on outlying island ferry fare increase)

3. Members agreed to discuss the following items at the next regular meeting scheduled for 28 April 2006 –

(a) Corporate governance of Kowloon-Canton Railway Corporation (KCRC);

(b) Staffing proposal on possible merger of MTR Corporation Limited (MTRCL) and KCRC in the Environment, Transport and Works Bureau;

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and

(c) Fares for outlying islands ferry services in Hong Kong.

4. Regarding item (a), members agreed that the Chairman, the Chief Executive Officer and other senior management of KCRC be invited to attend the meeting to answer members' questions. Representatives from the staff unions of KCRC would also be invited to the meeting to give views on the related issues.

5. On item (c), the Panel agreed to invite New World First Ferry Services Limited and Hong Kong & Kowloon Ferry Ltd to attend the meeting to exchange views with members. Local groups would also be invited to the meeting if they wished to appear before the Panel to give oral views on the matter.

6. On MTR fares as suggested by Mr Andrew CHENG, members agreed to discuss the related issues in the context of the rail merger proposal.

*(Post-meeting note: Subsequent to the joint meeting with the Panel on Financial Affairs on 12 April 2006 to discuss the proposed merger of MTR and Kowloon-Canton Railway Systems, the Panel decided to follow up on the staff-related issues arising from the rail merger at the regular meeting scheduled for 28 April 2006. With the concurrence of the Chairman, the original agenda item on "Corporate governance of Kowloon-Canton Railway Corporation" was replaced by the item on "Merger of MTR and Kowloon-Canton Railways Systems – Staff-related issues". It was also decided that representatives of the two railway corporations as well as representatives from the five staff unions of the two corporations and other serving staff would be invited to attend the meeting. The revised agenda was issued vide LC Paper No. CB(1)1304/05-06 on 13 April 2006.)*

**IV Review of the roles and functions of taxis and van-type light goods vehicles in the public transport services sector**

(LC Paper No. CB(1)929/05-06

- A letter dated 16 February 2006 from Hon Miriam LAU Kin-yeek requesting the Panel to review the roles played by taxi and light goods vehicle in the public transport market

LC Paper No. CB(1)1139/05-06(04)

- Information paper provided by the Administration)

Meeting with deputations

7. The Chairman welcomed the deputations to the meeting. He advised that some deputations had requested to change the order of speaking but after consideration, he decided that following established practice, the deputations should present their views

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in the order of the receipt of their reply slips. He then invited the deputations to take turn and present their views on the issue of the roles and functions of taxis and van-type light goods vehicles in the public transport services sector. In order to better manage the meeting time and to ensure fairness to all deputations, each deputation would be given two minutes to present its views.

Sun Hing Taxi Radio Association

*(LC Paper No. CB(1)1090/05-06(01))*

8. Mr CHAN Ming-sang, Chairman of the Association, said that the Government should review the appropriateness of using “客貨車” as the Chinese translation of van-type light goods vehicle (LGV) which had misled the public that LGVs could also be used for the carriage of passengers. He was disappointed that some Government departments had hired van-type LGVs to transport their staff in the course of carrying out duties.

Right for Taxi Owner and Driver Association Limited

9. Mr LAU Kim-wan, Chairman of the Association, said that the definition of goods in respect of which van-type LGVs could carry under the law and the role of van-type LGVs in the transport service sector were unclear. He pointed out that taxi owners had to pay premium for obtaining taxi licences but the Government did not protect their legitimate interests and allowed the proliferation of illegal operations of van-type LGV service, which had significantly affected the taxi trade.

Hong Kong Taxi Association

10. Mr LAI Hoi-ping, Chairman of the Association, said that according to the report prepared by the Hong Kong Polytechnic University, van-type LGVs had adversely affected the business of taxis at the Hong Kong International Airport (HKIA). Many van-type LGVs were not used for the carriage of goods but merely passengers and their luggage to HKIA while some van-type LGVs were simply carrying passengers to travel between different places. These illegal operations were not regulated by the Government. As a result, the business operating environment of taxi was deteriorating. To address the problem, the Government should clearly define in the law the definition of goods which van-type LGVs could carry and strengthen enforcement against illegal operations of van-type LGV service.

N.W. Area Taxi Drivers & Operators Association

*(LC Paper No. CB(1)1089/05-06(01))*

11. 黃永忠先生, 從業員總會主席, agreed that the Chinese translation of van-type LGV as “客貨車” was misleading and urged the Administration to review the Chinese name to reflect that LGVs were merely used for the carriage of goods but not passengers. He suggested that the Government should consider putting specific

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wordings or painting on the body of van-type LGV vehicle so that the public could easily identify that van-type LGV was used for the carriage of goods. The Administration should clearly define the term “goods” which van-type LGVs could carry to facilitate the enforcement by the Police.

12. 黃永忠先生 also suggested that the Government should consider amending the relevant legislation to reduce the maximum passenger seating capacity of van-type LGVs from five to two, given that LGV was used for the carriage of goods and the goods to be carried should not require more than two persons to deal with.

New Territories Taxi Merchants Association Ltd.

13. Ms CHAN Oi-lin, 監事長 of the Association, said that taxi drivers were subject to more stringent requirements. They were required to pass through specific written examination after getting their driving licences for three years. Taxi owners had to bid for taxi licences and pay the necessary premium before they could engage in taxi operation. She stressed that the taxi trade merely asked for a fair competitive business operating environment in accordance with the existing legislation and urged the Administration to enhance the enforcement against illegal operations of van-type LGVs.

The Taxi Operators Association Ltd.

14. Mr LEUNG Shui-cheong, Chairman of the Association, said that it was imperative for the Government to explain clearly to the general public that taxis were used for the carriage of passengers while van-type LGVs for the carriage of goods. Taxi operators were facing keen competition from other public transport operators as the latter had expanded their service network and encroached into the service area of taxis. Worse still, the business operating environment of taxis was deteriorating as more and more local people chose to leave Hong Kong for vacation during holidays.

United Friendship Taxi Owners & Drivers Association Ltd.

15. Mr LEUNG Chak-sang, Chairman of the Association, said that there was a marked difference in the insurance premium for van-type LGVs and taxis as the insurance policies for van-type LGVs did not cover passengers. He stressed that the role of taxis was for the carriage of passengers while that of van-type LGVs for the carriage of goods. Taxi drivers were subject to more stringent requirement as they needed to have a minimum of three years' driving experience before they were eligible for sitting the taxi driver licence examination. He urged the Administration to strengthen enforcement against illegal operation of van-type LGVs.

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The Hong Kong Union of Light Van Employees  
(LC Paper No. CB(1)1043/05-06(01))

16. Mr IP Moon-lam, Chairman of the Union, said that it was sad to see conflicts arisen between taxi and van-type LGV operators. Van-type LGV had long been used for carrying both goods and passengers. While admitting that there were some grey areas in the present legislation about van-type LGVs, he expressed serious concern that the taxi trade had exerted pressure on the Government to restrict the business operating environment of van-type LGVs in the present manner. He objected to the proposals to reduce the maximum passenger seating capacity of van-type LGVs from five to two, specify the minimum weight of goods that could be carried by van-type LGVs, and limit the access of LGVs to HKIA. Van-type LGV had its own role in the transport services sector. For example, some small families would need to use van-type LGV, instead of taxi, for specific activities such as household removal.

Tai Wo Motors Ltd.  
(LC Paper No. CB(1)1089/05-06(02))

17. Mr Aaron NG, Vice-Chairman of the Limited, said that the Government had not assisted the taxi trade in its operation and the illegal hire car service had seriously affected the business and operation of taxis. The income of taxi drivers had been decreasing and this had adversely affected their livelihood. He urged the Government to critically examine the related issues, taking into account the role of taxi in the public transport service sector.

Sun Hing Taxi Radio Service General Association

18. Mr CHAN Wai-ming, Chairman of the Association, said that the Association had pointed out the problem of illegal operations of van-type LGVs at the airport at previous meetings with the Transport Department (TD) and the Hong Kong Airport Authority (HKAA). Nevertheless, no concrete actions had been taken by the relevant authorities to tackle the rampant problem of van-type LGVs soliciting passengers at the airport, which had caused great impact on the business and operations of taxis. He highlighted that taxis should be primarily used for the carriage of passengers while van-type LGVs for the carriage of goods. He was dissatisfied with the inadequate enforcement actions taken by the Police against the illegal operations of van-type LGVs and requested that the legitimate interests of taxi operators be protected.

New Territories Taxi Operations Union

19. Mr CHAN Shu-sang, Chairman of the Union, said that the taxi trade was gravely concerned about the proliferation of illegal van-type LGV operations which had significantly affected the business and operations of taxis. The legislation governing the van-type LGVs was outdated and the Government should promptly review the definition of goods which could be carried by LGVs so as to plug the loophole in the existing legislation. Enforcement against illegal operations of van-type LGVs should be

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enhanced as their activities had greatly affected the legitimate interest of taxi investors. The Government should provide a fair business operating environment for taxis' operation and he expressed grave dissatisfaction that some Government departments had hired van-type LGVs for transporting staff for carrying out official duties.

The Kowloon Taxi Owners Association Ltd.

20. Mr YUM Tai-ping, Chairman of the Association, said that the Government should review its transport policy to put it beyond doubt that taxis were used for the carriage of passengers whereas van-type LGVs for the carriage of goods. However, this would take time and in the short term, the Government should implement measures to tackle the rampant illegal operation of van-type LGVs at HKIA, such as designating specific areas at HKIA for van-type LGVs to load and unload their goods.

Hong Kong Tele-Call Taxi Association

21. Mr WONG Yu-ting, Chairman of the Association, pointed out that as LGVs were used for the carriage of goods, it would be more than enough for installing two passenger seats at the compartment of a LGV. Should other accompanying passengers wish to travel together with the goods carried by LGVs, they should take other transport modes for the purpose. Taxi operators had been operating under a difficult business operating environment. The Government did not take prompt enforcement actions against the illegal operations of van-type LGVs at the outset. The problem was now becoming more and more serious and had already affected the livelihood of taxi operators. If the Government did not strengthen the necessary enforcement actions against illegal operations of van-type LGVs to protect the legitimate interest of taxi investors, it would upset the investment sentiment in Hong Kong.

The Hong Kong Taxi & Public Light Bus Association Limited

22. Mr TRAN Chau, Chairman of the Association, said that the success of Hong Kong was based on a sound legal system and an efficient police force but the taxi trade had not benefited from the economic prosperity. He agreed that van-type LGV had its unique role in the overall transport system but there were grey areas in the existing legislation governing the operations of van-type LGVs. The taxi trade requested the Administration to review the matter. The Police should step up enforcement against illegal operations of van-type LGVs.

Chung Shing Taxi Limited

23. Mr CHENG Hak-wo, Chairman of the Limited, said that the taxi trade had met with the relevant Government departments on the need to clarify the roles of taxis and van-type LGVs. Pointing out the recent successful prosecution case whereby a driver was found guilty of providing illegal van-type LGV service, he opined that the Police could have done a better job to curb the illegal operations of van-type LGVs. The Government should also clarify the grey areas of the existing legislation governing the

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operations of van-type LGVs.

Taxi Dealers & Owners Association Limited

24. Mr NG Kwan-sing, Vice-Chairman of the Association, said that the situation at the HKIA was chaotic, as operators of van-type LGV and illegal hire car service were touting passengers in the passenger terminal and the ground transportation centre. HKAA should implement measures to designate different places for van-type LGVs to load and unload their goods. Pointing out the existence of grey areas in the legislation on van-type LGVs, he asked the Administration to address the problem as a matter of urgency. He also called on the Police to step up enforcement against illegal operations of van-type LGVs. There was also a need for the Government to clearly spell out the roles and functions of taxis and van-type LGVs.

Shing Kee Lorry Transportation Company Limited  
(*LC Paper No. CB(1)1089/05-06(03)*)

25. Mr CHAN Yiu-ming, Assistant Customer Services Supervisor of the Company, objected to the proposal to reduce the maximum passenger seating capacity of van-type LGVs from five to two which would have a bearing on the public interest. The role of van-type LGVs as a backup support for the local logistics industry would be compromised. The small and medium enterprises had frequently hired LGVs for the primary purpose of movement of goods but not passengers. The charges and services rendered by LGVs were very competitive and efficient. LGV operation had contributed significantly to the logistics development in Hong Kong.

26. Mr CHAN Yiu-ming also objected to the proposal to restrict van-type LGVs' access to HKIA as there was a demand for customers to hire van-type LGVs to transport several pieces of luggage to HKIA which could not be carried by taxis. The difficult business environment of taxis was partly attributed to the discounts offered by some taxi drivers, and the taxi trade should target its action against the malpractice of taxi drivers but not van-type LGVs' operators. He asked the Government to provide greater support to the van-type LGV trade.

New Territories Taxi Drivers' Rights Alliance  
(*LC Paper No. CB(1)1139/05-06(03)*)

27. 梁宇榮先生, 理事 of the Alliance, said that the business operating environment of the taxi trade was very difficult due to keen competition from other public transport trades. The taxi trade had lodged complaints with the Government against the illegal operations of other public transport operators but no concrete actions had been taken to tackle the problems. He also pointed out that the Government had not responded positively to the taxi trade's request for making it an offence for passengers to bargain on taxi charge not according to taxi meters.

Elephant Transportation Centre

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(LC Paper No. CB(1)1089/05-06(03))

28. Mr LEE Kam-man, Proprietor of the Centre, said that van-type LGVs and taxis had their respective roles in the overall transport service sector but each trade needed to adapt to the changing business operating environment. Investors in Hong Kong were not well protected by the Government. To address the difficulty faced by the taxi trade, taxi operators should target their actions at those taxi drivers who illegally offered discounts to passengers. While conceding that there were illegal operations among some van-type LGV drivers, he urged the Government to step up enforcement actions against the drivers concerned. He objected to the proposal to reduce the maximum passenger seating capacity from five to two as any change in the legislation would affect all van-type LGV operators and was not warranted at this stage. He urged the Government to review the role of van-type LGVs,

William Car Services Co.

29. Mr Ben LEUNG, General Manager of the Company, objected to the proposal to specify the minimum weight of goods that could be carried by van-type LGVs at 200kg. He said that his company transported lion dance troupes to different performing venues. If the said proposal was adopted, their clients could no longer use van-type LGVs for carrying props. However, due to their size and bulkiness, it was also not possible to carry props by taxis either.

Rambo Taxi Owners' Association Ltd.

30. Mr LEE Chi-leung, Chairman of the Association, supported the proposal to reduce the maximum passenger seating capacity from five to two to plug the loophole of the present legislation which was not effective in curbing van-type LGV operators from carrying passengers for hire and reward. There was no need for van-type LGVs to maintain five seats in their compartments, taking into account the role of LGV which was used for the carriage of goods.

31. Mr LEE also urged the Government to strengthen enforcement against illegal operations of van-type LGVs for carrying passengers for hire or reward. If a van-type LGV carried five passengers and one piece of luggage, the Police might not be able to take prosecution against the driver as the definition of goods was unclear. The businesses of taxi and other public transport operators at HKIA were therefore affected by this kind of illegal operation of van-type LGVs. The Government should clarify the respective roles of taxis and van-type LGV in the overall transport service sector.

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Easyvan Calling Centre (Transport) Co. Ltd.  
(LC Paper No. CB(1)1089/05-06(03))

32. Ms CHEUNG Mei-bo, Administrative Director of the Company, objected to the proposed weight restriction on goods to be carried by van-type LGVs. This proposal was not practical as some goods which were less than 200 kg could not be transported by taxis. As regards the proposal to reduce the maximum passenger seating capacity from five to two, it would unnecessarily affect the rights of passengers and LGV owners. She supported the Police and HKIA to enhance their enforcement actions against illegal hire car service at HKIA. There was a demand for van-type LGVs at HKIA as some passengers needed larger storage spaces for transporting their luggage. She urged the Government to take heed of the demands for different public transport trades and not to implement new measures without proper consultation with the relevant trades.

Royal Best Quality Taxi Association Ltd.

33. Mr WONG Ho, Chairman of the Association, said that the legislation relating to van-type LGVs was unclear and had given rise to unfair competition from van-type LGVs, causing an adverse impact on the operations of taxi and compromised the interests of investors in taxis.

Wai Yik HK, Kln & NT Taxi Owners Association Ltd.

34. Given that many small and medium enterprises had relocated to the Pearl River Delta, Mr LI Kwok-ying, Secretary of the Association questioned the significant increase in the number of van-type LGVs in recent years. He queried the need for maintaining the passenger seating capacity of van-type LGVs at five as van-type LGVs were used for transporting small goods, which could be moved by two persons. Van-type LGVs and overnight minibuses had an adverse impact on the business of taxis. He urged the Government to review the relevant legislation to address the problems.

Association of N.T. Radio Taxicabs Ltd.

35. Mr LAI Kin-man, Chairman of the Limited, said that the business operating environment of taxis was already very difficult, not to mention the adverse effect caused by the illegal operations of van-type LGVs. The taxi trade had raised the issue with the relevant Government departments but there had been no concrete measures to tackle the problem. He urged the Government to address the grey areas in the legislation and make the necessary amendments to facilitate effective enforcement against the illegal operations of van-type LGVs.

Hong Kong Kowloon Taxi & Lorry Owners' Association Ltd.  
(LC Paper No. CB(1)1069/05-06(01))

36. Mr WONG Po-keung, Director of the Association expressed gratitude to the

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Government for the assistance offered to the taxi trade to tide over the difficult period since the 2003 economy downturn. TD used taxis to transport their staff in the course of their duty but other government department used van-type LGVs. He expressed concern that van-type LGVs did not have insurance cover for passengers and requested the government departments to use the proper types of vehicles for the carriage of passengers. He suggested that a probationary driving licence system be adopted for newly qualified private car and van-type LGV drivers, who were required to display a "P" plate on their vehicles and drive at a speed lower than the prescribed speed limit under certain circumstances.

東方貨運有限公司

(LC Paper No. CB(1)1089/05-06(03))

37. Mr FAN Yuk-choi, Manager of the Limited, said that the operations of van-type LGVs did not have an impact on the taxi business as van-type LGVs were primarily used for the carriage of goods. Whilst a small number of van-type LGV drivers might engage in illegal activities, most of the industry players were law-abiding. He objected to the proposal to reduce the maximum passenger seating capacity from five to two which would reduce their flexibility and limit the choice of passengers. He supported that the Police and HKAA should enhance enforcement against illegal operation of van-type LGVs at HKIA.

先鋒客貨車電召中心

(LC Paper No. CB(1)1089/05-06(03))

38. Mr WONG Yung-shing, Director of the Centre, said that the difficult business operating environment of the taxi trade might be attributable to the high taxi licence premium. He objected to the proposal from the taxi trade to reduce the maximum passenger seating capacity of van-type LGVs from five to two, which would have a great impact on the business of van-type LGVs.

Wai Fat Taxi Owners Association Ltd.

39. Mr TONG Yeuk-fung, Chairman of the Association, sought clarification from the Administration as to whether van-type LGVs were allowed to carry passengers for hire and reward under the existing legislation.

High Quality Transportation Centre

(LC Paper No. CB(1)1089/05-06(03))

40. Mr YAN Man-kwong, Proprietor of the Centre, said that most of his customers were logistics companies which used LGVs to transport goods between Hong Kong and the Pearl River Delta at low cost. He pointed out that any amendment to the legislation regarding the definition of goods or change of passenger seating capacity of van-type LGVs would affect the business of LGV trade and undermine its competitiveness. Van-type LGV trade had contributed to the economy of Hong Kong but the Government

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had provided little support for the van-type LGV trade. He urged the Government to provide support for the development of the trade.

港鴻電召運輸有限公司

*(LC Paper No. CB(1)1089/05-06(03))*

41. Mr Anson LEUNG, Chief Executive Officer of the Limited, said that most van-type LGV drivers would not solicit passengers at HKIA. Rather, customers could request their service through calling centres. As far as he knew, not many passengers used van-type LGVs for travel to the airport. However, there was a demand for van-type LGV service in the market. For example, a family of four with four pieces of luggage would not be able to travel to the airport by taxi. Instead, they might hire a van-type LGV. He supported HKAA and the Police to strengthen enforcement actions against illegal operations of van-type LGV service. In view of the difficult business operating environment, he suggested that the Government should review its policy on taxi, including the level of taxi licence premium. He also supported that the Government should review the definition of goods which van-type LGVs could carry under the law.

Yes Go Go Calling Centre (Transport) Co.

*(LC Paper No. CB(1)1089/05-06(03))*

42. Mr CHAN Wing-tim, Manager of the Company, said that every public transport mode had its own role in the transport service system. One of the main roles of van-type LGVs was to provide courier services for delivery of letters and samples to different places in Hong Kong, including HKIA. For operational reason, there was a need for accompanying staff to travel together with the parcel so carried. The courier service did not directly compete with taxis. Van-type LGV owners had also invested in the vehicle fleet and van-type LGVs could also be deployed for personal use. Due to the above reasons, he objected to the proposal to reduce the maximum passenger seating capacity of LGV from five to two.

Total Recall Transportation Centre

*(LC Paper No. CB(1)1089/05-06(03))*

43. Mr WONG Chi-leung, Representative of the Centre, said that any change to the legislation to restrict the business operating environment of van-type LGVs would have an impact on its business, forcing many van-type LGV drivers out of business. They might have difficulty to find new jobs and ultimately would need to apply for welfare benefits from the Government. Some van-type LGVs owners also deployed their vehicles for personal use, and hence he objected to the proposal to reduce the maximum passenger seating capacity of LGV from five to two. In view of the impact of the possible changes to the legislation to restrict the operations of van-type LGVs and the resultant impact on the industry players, he requested the Government to maintain the status quo.

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Transport and Logistics Workers' Union

44. Mr TAM Wai-to, President of the Union appreciated the concerns of the taxi trade. He supported that taxis should be used for the carriage of passengers and that van-type LGVs for the carriage of goods. The Government should step up enforcement actions against the illegal operations of van-type LGVs. Any change to the existing legislation to restrict the operations of van-type LGVs would have an impact on the LGV trade. He welcomed discussion with the Government on measures to address the problems faced by the van-type LGV trade.

Kai Kee Van

*(LC Paper No. CB(1)1089/05-06(03))*

45. Mr YEUNG Tung-fong, Manager of the Union, said that van-type LGV service played an important role in the movement of goods which could not be accommodated by taxis. It would not be cost-effective to hire a medium goods vehicle for the purpose. In order to sustain the operations of the LGV trade whilst ensuring customers' choice for the mode of transport to suit their own business needs, it was imperative for the Government to provide a favourable business operating environment for the LGV trade.

Dynasty Cargo-Passenger Service Paging Centre

*(LC Paper No. CB(1)1089/05-06(03))*

46. Mr TSANG Wai-shek, Manager of the Centre, said that any change to the legislation to restrict the operations of van-type LGVs would have an adverse impact on van-type LGV operators. He considered that a passenger seating capacity of five for LGV was appropriate. For example, in transporting equipment and facilities for installation at a particular site, it would be inconvenient and unacceptable to ask the accompanying workers, in most cases more than two, to travel separately on different transport modes to the site. He also objected to the proposal to specify that van-type LGVs could only be used for carrying goods with a weight more than 200 kg as some equipment or facilities with a weight less than 200 kg could not be transported by taxis. It would be a waste of resources if customers were required to transport such items by medium goods vehicles.

Urban Taxi Drivers Association Co., Ltd.

47. Mr KWOK Chi-piu, Chairman of the Association, said that it was unfortunate that there were conflicts between the taxi and van-type LGV trades. Since the opening of HKIA in 1998, the taxi trade had requested the Police and HKAA to tackle the illegal operations of van-type LGVs but no concrete actions had been taken. It seemed that the Police did not have sufficient resources to take effective enforcement. The problem with illegal van-type LGVs should have been tackled at the outset. The Police had difficulty to collect evidence to take prosecution as only 15 cases of van-type LGVs were prosecuted in 2005. The Police would need to inform the public of the difficulty encountered during enforcement and should propose legislative amendment to facilitate

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its enforcement. If the illegal operation at HKIA continued, it would not be conducive for the orderly operation of the airport and the community as a whole.

### Taxi & PLB Concern Group

*(LC Paper No. CB(1)1111/05-06(01))*

48. 黎銘洪先生, 大聯盟主席, said that the present difficult situation was mainly caused by the Government transport officials who had not enforced the legislation against the illegal operations of van-type LGVs. The Government should clearly set out the role of van-type LGV under the existing legislation. Some government departments even hired van-type LGVs to transport their staff in the course of carrying out their duties. While it was legal for van-type LGVs to carry goods for hire and reward, he said that the LGV trade had a false impression that LGVs could also carry passengers for hire and reward. The Police had difficulty to initiate prosecution against van-type LGVs for carrying passengers for hire and reward as they could not ascertain whether the reward was for the carriage of goods or passengers, when both were being transported by a LGV. He requested the Government to clarify the meaning of carriage of passengers/goods for hire and reward.

### Sai Kung Taxi Operators Association Ltd.

*(LC Paper No. CB(1)1089/05-06(04))*

49. Mr LAU Hak-kai, Chairman of the Association, said that the Chinese translation of van-type LGV as “客貨車” was not provided for in the Road Traffic Ordinance (Cap. 374) (RTO). The role of van-type LGVs was to provide services for the carriage of goods. He enquired why the Government had not clarified to the public that the Chinese translation of van-type LGV as “客貨車” was not a correct term. He urged the Government to take concrete measures to correct the public misconception on van-type LGVs so that taxi and van-type LGV operators could target at their respective markets. He also suggested that the Government should consider relaxing the restriction on taxis so that larger vehicle with bigger trunk could be used for operations.

## Discussion

### *The overall picture*

50. Members in general found the conflict between the taxi trade and the van-type LGV trade as reflected in the above presentation of views by them (the Conflict) regretful. In Mr WONG Kwok-hing's view, the Administration was to blame for the Conflict. He however pointed out that the two trades in fact had agreement over certain points. First, both trades attached great importance to the need to abide by law and each did not want to intrude into the other's market. Second, both felt those practitioners who breached the law should be seriously penalized. Third, both were keen to ensure that any action taken to improve enforcement against illegal operations should not impact on those not involved. Fourth, both were aggrieved by the Administration's failure to take

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early enforcement action against van-type LGVs running illegal passenger service for reward at the airport, so that the problem had run out of control (the present problem).

51. In response, the Deputy Secretary for the Environment, Transport and Works (Transport)2 (DS/T2) pointed out that van-type LGVs and taxis each had a distinctive role. The role of a goods vehicle, including van-type LGV, was primarily for carriage of goods for hire or reward, whereas the role of a taxi was to provide a personal door-to-door passenger transport service for reward. The present problem had emerged mainly because certain van-type LGVs were illegally operating outside their scope of operations, and were carrying passengers for hire or reward. She assured members the Police were already actively addressing the present problem and would take prosecution actions where evidence permitted.

52. The Chief Superintendent of Police/Traffic Branch Headquarters (CSP/TBH) supplemented that both preventive and prosecution actions were taken where appropriate to tackle illegal transport activities by van-type LGVs and taxis at the airport, with uniformed and plainclothes operations averaging about 200 per month. Noting that passenger solicitation was the main problem, action had been focused on that and, where sufficient evidence was available, prosecution action would be taken. As a result, 15 cases of van-type LGVs touting at the airport were prosecuted with success in 2005. There were also three successful prosecutions of van-type LGVs carrying passengers for hire or reward. In 2006, up to the day before the meeting, six cases of touting were prosecuted with one case of hire and reward pending at the moment. In recognition of the need to adopt a multi-agency approach, a special task force named "Task Force Against Illegal Transport Operation in Hong Kong International Airport" (the Task Force) was set up jointly by AA, TD and the Police in July 2005 to examine the best way forward and to share intelligence and good practices. The Police was also looking ahead to improve its enforcement actions by drawing lessons from experience and actively involving its various units. Along this line, the Police also kept up liaison with the Department of Justice to examine if publicity acts of illegal transport operations such as advertising and promotional markings on vehicles could amount to evidence to sustain prosecution.

*Causes of the present problem*

- *Grey areas in the relevant law*

53. Ms Miriam LAU opined that the present problem had stemmed from the lack of a clear definition of "goods", so that some operators of van-type LGVs had the impression that they could legitimately carry luggage as well as its owner to and from the airport. In response to her question on whether it would be an offence for a van-type LGV to carry five to six pieces of luggage together with four to five owners of the luggage, DS/T2 said that according to RTO, "goods" meant burden of any description. As such, it could also denote luggage. However, whether a van-type LGV was conducting business legally was not determined only by the type of "goods" it carried but also by the specific facts and details of the trip concerned. For example, if a van-type LGV was carrying

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some luggage, and the owner of the luggage was also traveling on it to the same destination although he or she could make use of other modes of public transport, there might be reasonable grounds to suspect that the situation might amount to carriage of passengers for hire or reward. This was because the owner of the luggage also had the need for carriage, so that the operator of the LGV concerned might not be able to argue that the journey was purely for carriage of goods. Notwithstanding, whether prosecution could commence hinged on the oral evidence the Police gathered from the driver and the passenger, the circumstantial evidence and the material evidence.

54. Ms Miriam LAU and Mrs Selina CHOW were unsatisfied with DS/T2's explanation above. They still found the definition of "goods" not clear enough to obviate illegal transport activities by van-type LGVs. In particular, Mrs CHOW pointed out that if van-type LGVs could legitimately carry luggage for hire or reward because it could be regarded as goods, the operator of a van-type LGV caught carrying passengers as well could always claim that he was in fact carrying luggage for hire or reward, and was only giving the passenger concerned a free ride.

55. In reply to Mrs Selina CHOW on whether enforcement action could be taken as explained by DS/T2 in paragraph 53 above, CSP/TBH explained that the guiding principle according to which the Police took actions was section 52(3) of RTO, which prohibited the use of van-type LGVs for the carriage of passengers for hire or reward. Should prima-facie evidence be established after stopping the vehicle and talking to the driver, witnesses and passenger(s) concerned that the vehicle was carrying passengers for hire or reward, prosecution could be started. He acknowledged that the definition of "goods" was broad. Hence whether prosecution action could be taken depended on the relationship between the driver and the passenger. The crux of prosecution lay on the proof that it was the carriage of the passenger rather than the luggage that the LGV operator was paid for his service.

56. Mrs Selina CHOW pointed out that as gathered from the views presented by some members of the LGV trade, some of them might really have the impression that LGVs could be used to carry passengers. At her request to respond to such interpretation, DS/T2 declined to comment on individual cases without sufficient details. She however emphasized the principle was that in the first place, van-type LGVs must charge their service for goods carried and not for passengers carried. In the event that there was a need for the goods to be accompanied, whether carriage of the accompanying passengers was permissible would depend on the merits of each case. If the passenger also had a need to go to the destination of the goods and the passenger could access the destination by other modes of public transport, then whether the hire was purely for the carriage of goods would be in question. In short, there must not be any element of carriage of passengers for hire or reward during the whole trip. In this regard, Mr TAM Wai-to, President of Transport and Logistics Workers' Union, clarified that while payment for service was made by the passengers accompanying the goods, the service charged was still essentially carriage of goods.

57. Mr LEE Cheuk-yan referred to DS/T2's explanation that whether a van-type

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LGV was engaged in offering illegal transport services hinged on whether it had carried passengers for hire or reward, and commented that this might explain why the fares charged were the same regardless of the number of people carried when he hired van-type LGVs for carrying the banners and materials for staging rallies and processions. Mr Albert CHAN, on the other hand, said there were grey areas, so that he had also used the service of van-type LGVs for taking his family and their luggage to the airport because taxis could not carry many pieces of luggage.

58. In this regard, Mr IP Moon-lam, Chairman of The Hong Kong Union of Light Van Employees, pointed out that there was no clear restriction on van-type LGVs from carrying passengers when carrying goods. Because of such grey areas, LGVs should not be blamed for carrying passengers while carrying goods. On the other hand, there were no clear provisions in law that allowed taxis to carry goods. Moreover, as shown in the pictures he showed, sometimes the way taxis carried goods was dangerous.

59. Referring to Mr LEE Cheuk-yan's statement in paragraph 57 above, Mr LAU Kim-wan, Chairman of the Right for Taxi Owner and Driver Association Limited, pointed out that similar to van-type LGVs, the taxi fees were the same regardless of the number of passengers carried. Responding to the LGV trade's earlier comment that they should be allowed to enter the market because taxi fares were high, he further pointed out that taxis had in fact applied for fare reduction but the application was turned down by the Government. Moreover, it was unfair to allow LGV operators to intrude into the scope of operations of taxi operators because the latter had to bear very high capital costs in terms of high taxi license premium, while the former did not have to make such investments.

60. Emphasizing that the most important thing was to define what constituted illegal passenger carriage, 黎銘洪先生,主席 of Taxi & PLB Concern Group, sought details on the consideration of the Police in determining whether there was a case for prosecution. Mr KWOK Chi-piu, Chairman of Urban Taxi Drivers Association Co. Ltd., also saw a need for clear definitions in this regard. In more specific terms, Mr WONG Chi-leung, Representative of Total Recall Transportation Centre, asked whether goods samples carried in luggage would be regarded as "goods" or "luggage". DS/T2 confirmed that such should be regarded as "goods".

- *Inadequate enforcement*

61. Ms LI Fung-ying referred to the prosecution figures on passenger solicitation at the airport, which amounted to less than a score, and questioned whether the figures could reflect the seriousness of the present problem. In response, the General Manager/Terminal of AA (GM/T/AA) explained that the figures represented successful cases only. Moreover, due to the need to ensure high quality service to airport users, the Task Force was combating and controlling illegal transport services at the airport not only from the perspective of enforcement but also through traffic management, such as by stationing personnel at passenger solicitation black spots to prevent such activities. CSP/TBH supplemented that after setting up of the Task Force, operations ranged from

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200 to 220 per month involving both AA and the Police.

62. Mr KWOK Chi-piu, Chairman of Urban Taxi Drivers Association Co. Ltd., also considered the number of prosecution actions small when compared to the magnitude of the present problem. In his view, instead of always claiming that there was not sufficient evidence to take prosecution actions, the Police should let the Administration know their problems in taking enforcement actions so as to highlight the need for legislative amendments.

- *Transport policy*

63. Ms LI Fung-ying opined that the Conflict might have been caused by Government's transport policy, which in her view was seriously tilted in favour of rail transport, leaving very little room for other modes of public transport to operate. She therefore urged the Administration to review its transport policy to ensure it was fair and reasonable. Mr Albert CHAN shared her view, and said that while MTRCL was making big profits and expanding its market share, taxis, public light buses (PLBs), non-franchised buses and LGVs had to fight over the very little market share left. In particular, the market shares of the four trades above might further shrink after the rail merger. He opined that the Government was to blame for the above regretful and unhealthy situation, and enquired whether to obviate social conflicts at root, when mapping out its transport policy the Administration had taken into consideration the policy's likely implications on the respective market shares and scopes of operations of the different modes of public transport.

64. In response, DS/T2 pointed out that the roles of different public transport modes in satisfying the transport needs of the community were different and not interchangeable. While the focus of rail service was on mass transport, taxis and LGVs provided a personal door-to-door service. PLBs, on the other hand, mainly provided feeder service. She denied that the development of rail service was arbitrary, pointing out that when working out any new rail plan, the Administration had to examine the development of the district concerned as well as explain the plan to the Legislative Council. She also explained that while the Administration would define the roles of the respective modes of public transport, it was the market that determined how each would fare at the end. Highlighting with some examples that the Government could affect the fare levels of buses and PLBs, Mr Albert CHAN was unconvinced that the Government had no role to play in co-ordinating and regulating the transport market.

65. Mr LEUNG Kwok-hung likewise felt that Government's transport policy had tilted in favour of rail service. He pointed out that in the past when economy was good, the imbalance did not cause much concern because all trades flourished in a boom. However, with the following two developments the above imbalance should be addressed. First, when the economy was down and business was shrinking, private companies would be reluctant to invest in the lesser transport trades if the policy was imbalanced. This in turn meant that presently many practitioners in these trades were self-employed, and would be hard hit if business was bad. Second, with the

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privatization of MTRCL, the tilt towards the rail corporations might mean that the Government was indirectly helping private investors to make money to the detriment of the general public. As such, the Government should review its transport policy in a comprehensive manner. It should also identify the causes of the recent incident on KCRC's corporate governance issues (the Incident), and approach the rail merger with care so as to minimize its impacts, in particular those on the job security of the staff concerned.

66. Mr Albert CHAN added that if the Government had not unfairly invested \$700 million in the Disneyland Resort Line to subsidize its construction, opening of the Hong Kong Disneyland should have provided more business opportunities for taxi and PLB operators instead of becoming an additional source of revenue for MTRCL, which was already making big profits while the markets of taxis and PLBs were shrinking. He was concerned that Government might likewise be required to invest billions of dollars in the South Island Line, the completion of which would further aggravate rail service's intrusion into the markets of other modes of public transport. In his view, market intrusion by rail service was the result of tilted Government policy. To obviate social discords, he reiterated the need for Government to conduct a comprehensive review of its role in the public transport market as well as its distribution

67. In response, DS/T2 emphasized that the Government had all along been trying to strike a balance among the different modes of public transport. There was however greater public support for rail service in recognition of its mass carriage capacity, environmental-friendliness and convenience. Mr Albert CHAN was unhappy with the response, and called upon the four trades to unite against the Government, the two rail corporations and the franchised bus companies so as to urge the Government to review its transport policy to enable them to survive.

68. Mr WONG Po-keung, Director of Hong Kong Kowloon Taxi & Lorry Owners' Association Ltd., stated support for Mr Albert CHAN's views. He pointed out that rail service might not necessarily be environmentally-friendly because it used electricity, the generation of which caused pollution. Mr WONG Yu-ting, Chairman of Hong Kong Tele-Call Taxi Association, urged Mr CHAN to organize a territory-wide slow-drive protest of the four trades to press Government to change its transport policy.

69. Mr CHENG Hak-wo, Chairman of Chung Shing Taxi Limited, agreed with Mr Albert CHAN that the Government's transport policy was unfair. He also pointed out that in other countries the Government would take into consideration the impacts on other modes of public transport when mapping out rail development plans. Hong Kong Government however did not do so. He said that if the Administration would not do more to tackle the present problem to help taxi drivers survive, taxi drivers might as well all drive van-type LGVs instead to obviate further conflicts.

70. Mr LEUNG Kwok-hung also called upon the two trades to unite in pressurizing the Government to change its rail policy and indicated willingness to assist in this regard. According to him, the Government would do nothing if not pressurized because

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firstly, development of rail service could bring Government great profits through property development above rail stations. Secondly, there was difficulty in delineating “goods”. In his view, Government policies could affect the market. The natural monopoly of the Disneyland Resort Line was one such example where no other modes of public transport, not even buses, were allowed to ply the route.

- *Government setting a bad example*

71. Mr WONG Kwok-hing referred to the submission from The Hong Kong Union of Light Van Employees (the Union) (LC Paper No. CB(1)1043/05-06(01)), which claimed that Government departments also used the service of van-type LGVs for carriage of passengers, and asked the Administration to account for such. In response, DS/T2 explained that as learnt from the Government departments concerned, they had only used the service for carriage of goods such as tools and office equipment, and the accompanying staff were only taking care of the goods.

72. At Mr WONG Kwok-hing's request for details on the Union's claim, Mr IP Moon-lam, Chairman of the Union, showed members a newspaper which according to him was proof of the claim. Mr WONG expressed regret that the Administration had evaded the truth and that some departments had used illegal service. He opined that the Administration should urge all Government departments not to engage illegal transport service in future. In response, DS/T2 advised that the Government Logistics Department had already issued guidelines in this regard to ensure van-type LGVs were hired for carriage of goods only. At the request of Mr WONG and the Chairman, she agreed to follow up the Union's claim.

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*Possible improvement measures*

- *Legislative amendments*

73. Mrs Selina CHOW urged the Administration to map out measures to address the present problem. In this regard, she opined that the proposal to amend RTO to reduce the maximum passenger seating capacity of van-type LGVs from five to two (the seating proposal), which had been put forward by the Report on Taxi Services (Market Competition) Policy Review (the Report) published by the Public Policy Research Institute of the Hong Kong Polytechnic University, might be a viable measure, and asked deputations representing the van-type LGV trade to explain why they did not support the seating proposal if many of them agreed LGVs should only carry goods and not passengers for hire or reward.

74. In response, Mr WONG Yung-shing, Director of 先鋒客貨車電召中心, said that when van-type LGVs were hired to carry renovation materials and equipment, the number of renovation workers accompanying the goods normally exceeded two. It would be a waste of both money and community resources to require the workers in excess to travel separately. Mr TAM Wai-to, President of Transport and Logistics Workers' Union, added that since a van-type LGV might be hired to carry a large

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quantity of goods, more than two persons might need to accompany the goods to do the loading and unloading work. The seating proposal, if taken forward, would pose operational difficulties for van-type LGVs and affect their business.

75. In response to Ms LI Fung-ying on the Administration's stance regarding the Report's suggestions on changes in legislation, DS/T2 explained that the Administration had to carefully examine such suggestions. This was because changes to the present delineation of "goods" and "personal effects" in the legislation or the maximum passenger seating capacity of van-type LGVs would inevitably have impact on the existing scope of operations of the LGV and taxi trades as well as on the market they were allowed to serve. She pointed out that at present the legality of the carriage of passengers on a van-type LGV would be determined by making differentiation between whether the operator concerned was charging his client for carriage of goods or of passengers.

76. Highlighting prosecution difficulties arising from the lack of clear guidelines and the grey areas in law highlighted above, Ms Miriam LAU pointed out that even though the Police had strengthened efforts against illegal transport activities at the airport, such efforts could not effectively reduce the activities. She therefore saw a need to conduct a comprehensive review and clearly define "goods" and "passengers" to facilitate enforcement.

77. Mr Albert CHAN likewise saw the need to clearly delineate what constituted "goods". The Chairman also urged the Administration to examine the need for and feasibility of amending RTO and its subsidiary legislation to better confine the operation of van-type LGVs to carriage of goods for hire or reward. In response to Mrs Selina CHOW on the timetable in this regard, DS/T2 repeated her reply in paragraph 75 above, and advised that because of the need to exercise care in delineating what constituted "goods", the Administration was not working against any specific timetable. However, in recognition of the enforcement difficulties of the Police and the need to strike a balance between the two trades, Mrs CHOW stressed the need to set a deadline for Government to report back.

- *Administrative measures*

78. Pending legislative amendments, Ms Miriam LAU urged the Administration to work out interim measures to address the present problem, and invited representatives from the LGV trade to comment on her suggestion to separate picking up and setting down of passengers with loading/unloading of goods at the airport.

79. In response, Mr WONG Yung-shing, Director of 先鋒客貨車電召中心, said that he welcomed competition from taxis in carrying goods and passengers at the airport.

Mr FAN Yuk-choi, Manager of 東方貨運有限公司, on the other hand, emphasized that most operators of van-type LGVs did not engage in illegal transport activities and were in fact reluctant to carry goods to the airport because the return journey was long

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and without reward. These operators therefore found the suggestion acceptable. He also urged the Administration to gear up enforcement to tackle the present problem instead of introducing legislative amendments that might affect all.

80. Noting the trade's above response, Mrs Selina CHOW opined that the suggestion should be implemented to facilitate enforcement actions by the Police. Mr Albert CHAN indicated support for the suggestion. At Mrs CHOW's request to comment on the suggestion, GM/T/AA emphasized that AA had been exploring different measures to tackle the present problem and would gladly examine and advise whether the suggestion was viable within two weeks. His initial comment was that having separate areas to pick up and set down goods and passengers at the airport should help address the needs of different passengers. CSP/TBH confirmed that the suggestion would facilitate enforcement by the Police. DS/T2 stated that the Administration welcomed any administrative measure which could clearly delineate the operating areas of taxis and van-type LGVs at the airport. Pointing out that the present problem had been in existence for a long time and should have been addressed early, the Chairman urged the Administration to ensure AA could come up with a plan to restrict van-type LGVs' activities within the airport's goods loading and unloading area only for consultation with the two trades within two weeks.

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- *Publicity efforts*

81. Ms Miriam LAU pointed out that the Administration seemed to be unable to clearly tell the Panel the circumstances under which the carriage of passengers by van-type LGVs would be considered illegal, and enquired how and when Government would enhance publicity to let the transport trades and the general public better understand that van-type LGVs could only be used for the carriage of goods but not passengers for hire and reward. In reply, DS/T2 elaborated that first of all, the LGV trade would be reminded that it was an offence to use van-type LGVs for carrying passengers for hire and reward, and that they would face criminal as well as civil proceedings should they engage in the above illegal transport operations because their third party insurance would become invalid in the circumstances. Should there be any accident occurred during the journey in question, the passenger might claim the driver for damages. The Government would also remind the general public not to use illegal transport service by highlighting the above consequence of invalid third party insurance, in which case not only would the claim procedures take time but the passenger concerned could be denied compensation if there was proof that he was aware that the service was illegal when he used it. Pointing out that the Administration could not confirm the legality of various cases quoted by different members above, Ms LAU urged the Administration to provide in writing details of its plan to clarify grey areas of RTO and enhance publicity to let the transport trades and the general public better understand that van-type LGVs could only be used for the carriage of goods but not passengers for hire and reward.

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- *Other improvement measures*

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82. Mr LEE Cheuk-yan said that the two trades had to fight between themselves because they had failed to benefit from the recent economic recovery and both were struggling to make a living. In his view, the plight faced by taxi operators had not been caused by the competition from van-type LGVs but the high operating cost resulting from the sharp increase in the price of liquefied petroleum gas (LPG) and the high taxi license premium. There was also competition from taxi operators who offered illegal discounts. Having regard that all agreed enforcement action should be taken against unauthorized transport operations, he called upon the Administration to gear up enforcement and tackle the above problems of high operating costs.

83. In response, DS/T2 said that the Administration had already taken a number of measures to help improve the two trades' business operating environment. For example, review of the locations and restriction time periods of restricted zones. The Assistant Commissioner for Transport/Management and Paratransit (AC for T/M&P) supplemented that after the implementation of LPG's new pricing adjustment mechanism, the price of LPG could be adjusted monthly to reflect the changes in international price in a timely manner. As a result, the price of LPG was expected to go down in April in keeping with the decrease in international price. Moreover, since the Administration was not charging any fuel tax on LPG, LPG was already cheaper than diesel. Mr LEE Cheuk-yan was not assured. Pointing out that the land for the LPG filling stations was provided to the gas companies concerned at nil premium, he opined that the oil companies should be urged to keep the price of LPG affordable. In response, AC for T/M&P stressed that the new pricing mechanism was already an improvement over the original one, which was established five years before.

84. Referring to DS/T2's explanation regarding restricted zones, Mr LEUNG Shui-cheong, Chairman of The Taxi Operators Association Ltd., pointed out that notwithstanding the review, the number of restricted zones restricting pick-up and drop-off from 7:00 am to midnight had increased.

85. Mr TAM Yiu-chung recognized that RTO was unclear and hence there were problems in enforcing against illegal transport operations. To resolve the Conflict and ensure both trades could do business, he urged the Administration to gear up enforcement and examine improvement measures, in particular to ensure AA would improve management to prevent passenger solicitation at the airport.

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86. Summing up, the Chairman thanked the deputations for attending the meeting to express their precious views, and urged the Administration to give due regard to them. He then reminded AA to work out details of the separation plan within two weeks and, pending discussion with the trades, to provide the details to the Panel for its information. He further urged the Administration to report to the Panel in October 2006 the progress of its consideration of legislative amendments to facilitate follow-up. In response, DS/T2 emphasized that RTO already contained very clear delineations of “goods” and “personal effects”. In deciding whether to introduce relevant legislative amendments, the Administration had to be satisfied that there was a genuine need for them and that they could really serve a purpose. Notwithstanding, the Chairman stressed the need to explore legislative amendments, and said that the requested progress report should also include relevant enforcement figures.

*(Post-meeting note: Details of AA’s plan were issued to members vide LC Paper No. CB(1)1262/05-06 on 10 April 2006.)*

**V Expansion of the Journey Time Indication System**

(LC Paper No. CB(1)1111/05-06(02) - Information paper provided by the Administration)

87. The Chairman referred to the Administration’s paper on the proposal to expand the Journey Time Indication System (JTIS) on Hong Kong Island (JTIS Hong Kong) to Kowloon. The project involved an estimated cost of \$52.5 million and annual recurrent expenditure of \$6.5 million. The Administration planned to seek the endorsement of the Public Works Subcommittee on 24 May 2006 for approval of the Finance Committee on 23 June 2006. The Chairman invited views from members on the proposal.

88. Mr TAM Yiu-chung said that he supported the implementation of JTIS to inform motorists of the estimated travelling time as they embarked on their journeys. Nevertheless, he pointed out that he had the experience of driving from Hong Kong Island to Kowloon via the Cross Harbour Tunnel (CHT) on several recent occasions and found that the time shown on the journey time indicators did not reflect the actual journey time spent. He asked whether and how the time indicators had been monitored and updated in accordance with the traffic situation.

89. Ms LI Fung-ying said that she could not support the proposal if the JTIS failed to provide motorists with accurate journey time information and smoothen traffic flow. She considered that the Administration should carefully examine available new technologies to improve the JTIS before expanding the JTIS Hong Kong to Kowloon.

90. In response, the Deputy Secretary for the Environment, Transport and Works (Transport)<sup>3</sup> (DS/T3) explained that at present, JTIS Hong Kong measured the journey time through tracking the position and speed of a fleet of buses equipped with Global Positioning System, supplemented by video images captured by cameras at strategic

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locations. With the data collected, the digital journey time indicators were updated every five minutes. The accuracy of the estimated journey time might be affected by sudden events happening on the roads. She added that regular checks were conducted on the accuracy of the time indicators and it was found that the margin of error was generally in the range of about 10%.

91. DS/T3 further advised members that since the launch of JTIS Hong Kong in 2003, some new technologies had been developed and were used in other countries for similar purposes. The Administration would assess whether it would be more beneficial and cost effective to adopt a different technology for the new system. If so, it would make adjustments to JTIS Hong Kong to merge it with JTIS Kowloon.

92. Mr Jeffrey LAM considered that the JTIS could be improved. He pointed out that experience had shown that many of the existing digital journey time indicators were situated too close to the strategic approach roads to the road-harbour crossings (RHCs) so that by the time drivers reached the time indicators they could no longer change routes even if they wished to. He suggested that journey time indicators should be installed at more critical traffic diversion points to facilitate drivers to decide at the earliest time which routes to choose for reaching their destinations.

93. DS/T3 noted Mr LAM's views and said that suitable locations at which the journey time indicators should be installed would be carefully considered. Wherever feasible, more time indicators at critical locations would be installed.

94. Mr LEE Wing-tat said that he did not support expanding the JTIS Hong Kong to Kowloon. He pointed out that a system similar to JTIS had in fact been tried out at the Tuen Mun Road and some areas in the New Territories like Tsing Yi more than 10 years ago but was subsequently discarded because of low efficiency and effectiveness of the system. He suggested that other measures to improve traffic flow should be explored, such as seeking assistance from radio broadcasting stations to make more frequent announcements on road traffic conditions to the public.

95. DS/T3 said that as new advanced technologies had become available, it was reasonable to believe that the existing JTIS was an improved system as compared with the system more than 10 years ago. With regard to the effectiveness of JTIS, she informed members that a before-and-after survey was conducted on JTIS Hong Kong. It was found that the average travelling speed had generally increased, resulting in saving in travelling time for motorists driving from Hong Kong Island to Kowloon. She further advised that the Administration had liaised with the radio stations on increasing the frequency of broadcasts on road traffic situations and major traffic incidents. Efforts would continue to be made to improve dissemination of traffic information.

96. Mrs Selina CHOW asked whether the Administration had undertaken any survey to gauge drivers' views on the usefulness of JTIS in easing the traffic flow on critical road corridors and major approach roads to the RHCs, and whether they supported expanding the JTIS Hong Kong to Kowloon. DS/T3 replied that the Administration had

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not conducted a detailed users' survey. However, as explained above, the Administration had done a survey on the operation of JTIS Hong Kong and found that it had helped shorten the journey time for drivers.

97. Mrs Selina CHOW and Ms Miriam LAU commented that being drivers themselves they were not certain whether the JTIS had really helped reduce drivers' travelling time. Mrs Selina CHOW considered that it was worthwhile for the Administration to conduct a survey to seek the views of the general drivers. The Chairman and Ms Miriam LAU supported Mrs CHOW's suggestion. The Chairman said that the Administration should consider conducting the survey before seeking funding from the Finance Committee. DS/T3 responded that the suggestion would be considered.

98. Mr WONG Kwok-hing expressed the view that the present traffic imbalance between the three RHCs, which had caused heavy congestion at the CHT particularly, was due fundamentally to the huge differentials in the tolls charged by the RHCs. He remarked that the JTIS served no useful purpose in alleviating the traffic congestion problem and expressed reservation about the Administration's proposal to expand the JTIS Hong Kong to Kowloon. He further said that to tackle the congestion problem at source, the Administration should buy back the Eastern Harbour Crossing (EHC) and the Western Harbour Crossing (WHC) and to uniform the tolls of the three RHCs.

99. Mr LEUNG Kwok-hung considered that there was serious design flaw in the road links connecting the major trunk corridors to the approach roads to the RHCs, therefore hindering swift diversion of traffic to less busy routes in case congestion occurred. He was concerned that expanding the JTIS would result in creating additional traffic bottlenecks at other critical diversion points. He further said that both EHC and WHC were not owned by the Government. Their operations were beyond the control of the Government and the franchisees could increase the tolls at will. He considered that this monopolistic situation had prejudiced the public interest and should be changed. Mr LEUNG concurred with Mr WONG Kwok-hing that the Government should buy back EHC and WHC and rationalize the toll differentials among the RHCs.

100. Mr Albert CHAN said that as the CHT had already been stretched beyond its traffic handling capacity and the Administration had failed to take any effective measures to solve the congestion problem, the JTIS did not serve any purpose other than luring commuters to turn to the EHC and WHC which were charging much higher tolls than that of the CHT. He criticized that it was ridiculous that on the one hand the Government could not disapprove the toll increases by EHC and WHC, and on the other hand introduced measures which enabled the two franchisees to reap bigger profits. In his view, this was yet another example of the Government transferring benefits to large business enterprises at the expense of the public and the taxpayers. He said that he could not support the Administration's proposal which could not benefit the public. Mr CHAN considered that instead of using public money to expand the JTIS, the funding should be used for providing travelling subsidies to the general public, such as concessionary fares, bus-to-bus interchange discounts, etc.

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101. DS/T3 responded that matters relating to the RHCs had been discussed at previous meetings of the Panel. She advised that as members had been informed at a recent Panel meeting, the Administration was now in active discussion with the tunnel franchisees on how rationalization of tolls might help achieve more balanced traffic distribution among the three RHCs. She further explained that the use of JTIS should be viewed in a different context, i.e. by informing commuters of the estimated journey time for travelling from Hong Kong to Kowloon and vice versa under prevailing traffic conditions so that they would be able to make informed decisions on the most suitable routes to cross the harbour. This would enhance the distribution of traffic and alleviate congestion on the approach roads, particularly those to the CHT. The system could bring about reduction in travelling time and costs due to avoidance of congestion, improved safety and lower fuel consumption and emission. She informed members that according to survey findings, with the aid of JTIS, drivers travelling from Hong Kong Island to Kowloon could save, on average, 1 600 hours per day in journey time.

102. Mr WONG Kwok-hing said that the public was generally dissatisfied at the slow progress made in the negotiations between the Government and the franchisees on means to improve the traffic distributions at the three RHCs. He asked about the timetable for concluding the negotiations and arriving at any agreed arrangements.

103. DS/T3 replied that the Government considered it undesirable to set any rigid timeframe for the negotiations. To rush the negotiations without giving detailed consideration to all the issues concerned and the implications would be counter-productive in achieving a solution best serving the public interest. She assured members that the Administration would report to the Panel as soon as there were developments.

**VI Any other business**

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