

# **立法會**

## ***Legislative Council***

LC Paper No. CB(1)2153/06-07

Ref. : CB1/PL/TP

### **Panel on Transport**

#### **Background brief on the operation of taxis and light goods vehicles at the airport**

Subsequent to the implementation on 14 July 2007 of a series of new traffic management measures at the airport to combat illegal transport activities, including soliciting and illegal carriage of passengers for hire or reward at the airport area, and to respond to the request from the taxi trade for separating the picking up/setting down of passengers and loading/unloading of goods at the airport, a number of protest actions from the taxi and light goods vehicle (LGV) trades have emerged, causing disruption to the free flow of passengers and vehicles at the airport.

2. This paper sets out the background to the implementation of the new traffic management measures at the airport, and summarizes members' views expressed at previous meetings of the Council when the subject matter was discussed.

### **Background**

3. It is noted that some LGVs and individual vehicles of other types have been carrying out illegal transport activities including soliciting and illegal carriage of passengers for hire or reward at the airport area such as car parks near the passenger terminal of the airport. Similar forms of illegal transport activities such as soliciting are also carried out by some taxis at the airport. Not only are the activities illegal but they are causing conflicts among different transport trades as well as between the drivers and passengers.

4. In addition to stepping up enforcement by the Police, the relevant government bureaux/departments and Airport Authority (AA) have been working together since April 2006 on the feasibility of introducing new administrative measures at the airport in order to further combat these illegal transport activities and to respond to the request from the taxi trade for separating the picking up/setting down of passengers and loading/unloading of goods at the airport. Having considered the views expressed by both LGV and taxi trades and examined the operation of the two trades at the airport, a traffic management scheme of designating LGV Access, Loading and Unloading Areas at the airport has been worked out. In order to implement the proposed traffic management scheme, the Road Traffic (Traffic Control) (Designation

of Prohibited and Restricted Zones) (Amendment) Notice 2007 (the Amendment Notice) was laid on the table of the Legislative Council on 23 May 2007 for Members' consideration.

5. The Amendment Notice sought to amend the Road Traffic (Traffic Control) (Designation of Prohibited and Restricted Zones) Notice (Cap. 374 sub. leg. U) to designate a number of prohibited and restricted zones with a view to reducing the areas of illegal activities of taxis and LGVs at the airport by barring their usage of car parks near the passenger terminal, thus enabling the Police to concentrate their resources for monitoring and taking more focused enforcement actions against illegal transport operations at the airport. The Amendment Notice also added a definition of "overall length" as motor vehicles with overall length exceeding seven metres would be prohibited from using the access road linking Cheong Shun Road and the LGV Access Area given design and technical constraints. The Amendment Notice came into effect on 14 July 2007.

6. The prohibited zones and restricted zones designated under the Amendment Notice at the airport are set out below:

**Prohibited Zones** (Plan numbered TSP/000/C/1151/A at **Annex I**)

- (a) prohibit the driving of all goods vehicles and taxis (except a vehicle in respect of which a prohibited zone permit is in force) on any road within:
  - the area of Car Park No. 1 and Government Car Park;
  - the Car Park No. 2;
  - the Car Park No. 4 (multi-storey car park);
- (b) prohibit the driving of all motor vehicles (except a vehicle in respect of which a prohibited zone permit is in force) except LGVs on any road within the new LGV Access, Loading and Unloading Areas;
- (c) prohibit the driving of any motor vehicles with overall length exceeding seven metres on the access road linking Cheong Shun Road and the new LGV Access Area; and

**Restricted Zones** (Plan numbered TSP/000/C/1152/A at **Annex II**)

- (d) prohibit the driver of any motor vehicles (except the driver of a motor vehicle in respect of which a restricted zone permit is in force) from loading or unloading goods and picking up or setting down passenger on any road within the new LGV Access, Loading and Unloading Areas, except for LGVs which can load and unload goods in the respective Loading and Unloading Areas.

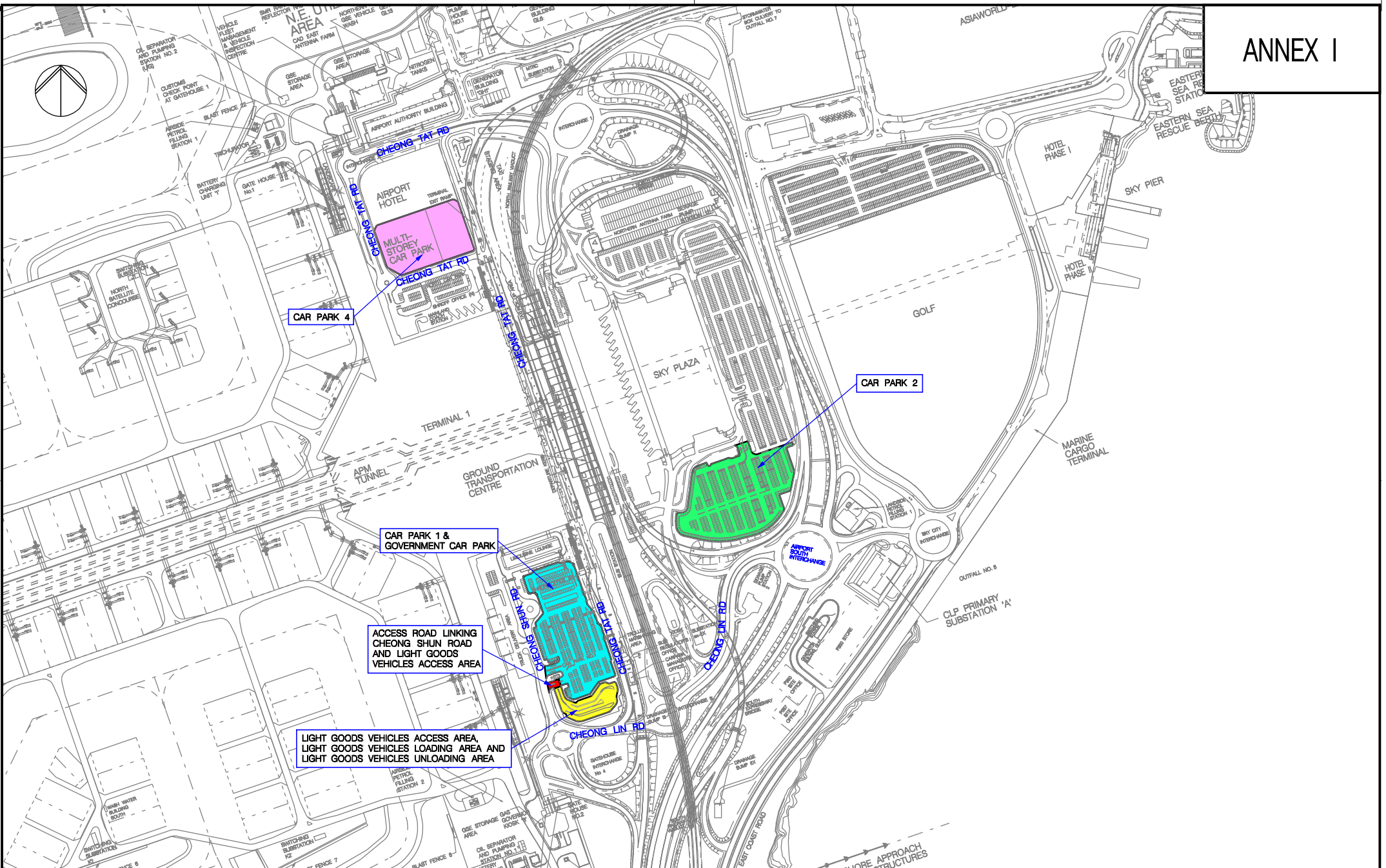
## **Previous discussions by the Legislative Council**

7. The legislative proposal as set out in the Amendment Notice was discussed at two meetings of the Panel respectively held on 24 March 2006 and 24 November 2006. In response to claims by the taxi trade that individual LGVs might be engaged in illegal carriage of passengers for hire or reward, the Panel met with relevant trades at its meeting on 24 March 2006 to discuss the operation and roles of taxis and LGVs. Following up the Panel's call for measures to better confine the operation of van-type LGVs to carriage of goods for hire or reward, the Administration reported to the Panel at its meeting on 24 November 2006 measures in this regard, including the intention to designate prohibited and restricted zones at the airport to segregate the loading and unloading activities of LGVs and to deter illegal transport activities of LGVs and taxis at the airport area. When discussing these measures, the Panel noted from the submissions it received the transport trades' divergent views on them. It also examined the effectiveness of the proposed arrangement and the appropriateness of mainly targeting it at LGVs. A relevant background brief on the subject matter issued for the meeting on 24 November 2006 is in **Annex III**.

8. On matters relating to taxi soliciting activities and measures against taxi fare bargaining, Hon Margaret NG raised a relevant question at the Council meeting on 18 October 2006. According to the Administration, no taxi driver shall in any manner, including offering fare discounts or concessions, attract passengers in order to induce them to make use of his vehicle. Soliciting is an offence under the law and offenders on conviction are liable to a maximum penalty of a fine of \$10,000 and 6-month imprisonment. In the same vein, the Administration has spelled out to the public that taxi passengers are obliged by law to pay the legal fares recorded on the taximeters. In other words, any passenger who refuses to pay the fares as recorded commits an offence. Whatever excuse should not be used as a reason for breaking the law. Offenders are liable to a maximum penalty of a fine of \$3,000 and 6-month imprisonment.

9. The Administration also points out that enforcement action has been actively taken to curb taxi soliciting activities. Transport Department (TD) has stepped up publicity on fare bargaining to remind taxi passengers of their responsibility to pay the legal fares recorded on the taximeters. Regarding the suggestion of amending the law to require taxi drivers to charge the exact fare recorded on the taximeters, the Administration has advised that TD had sent out questionnaires to the urban taxi trade for consulting their views. The Government needs to handle this issue carefully. It is because all along there have been divergent views within the taxi trade on whether the law should be amended. The trade also wants to ascertain whether there is any consensus among their members on this issue before exploring this further. The Administration reiterates that it has carried out a similar study before but no majority support for legislative amendment to prohibit passengers from fare bargaining could be secured. The relevant handsard is in **Annex IV**.

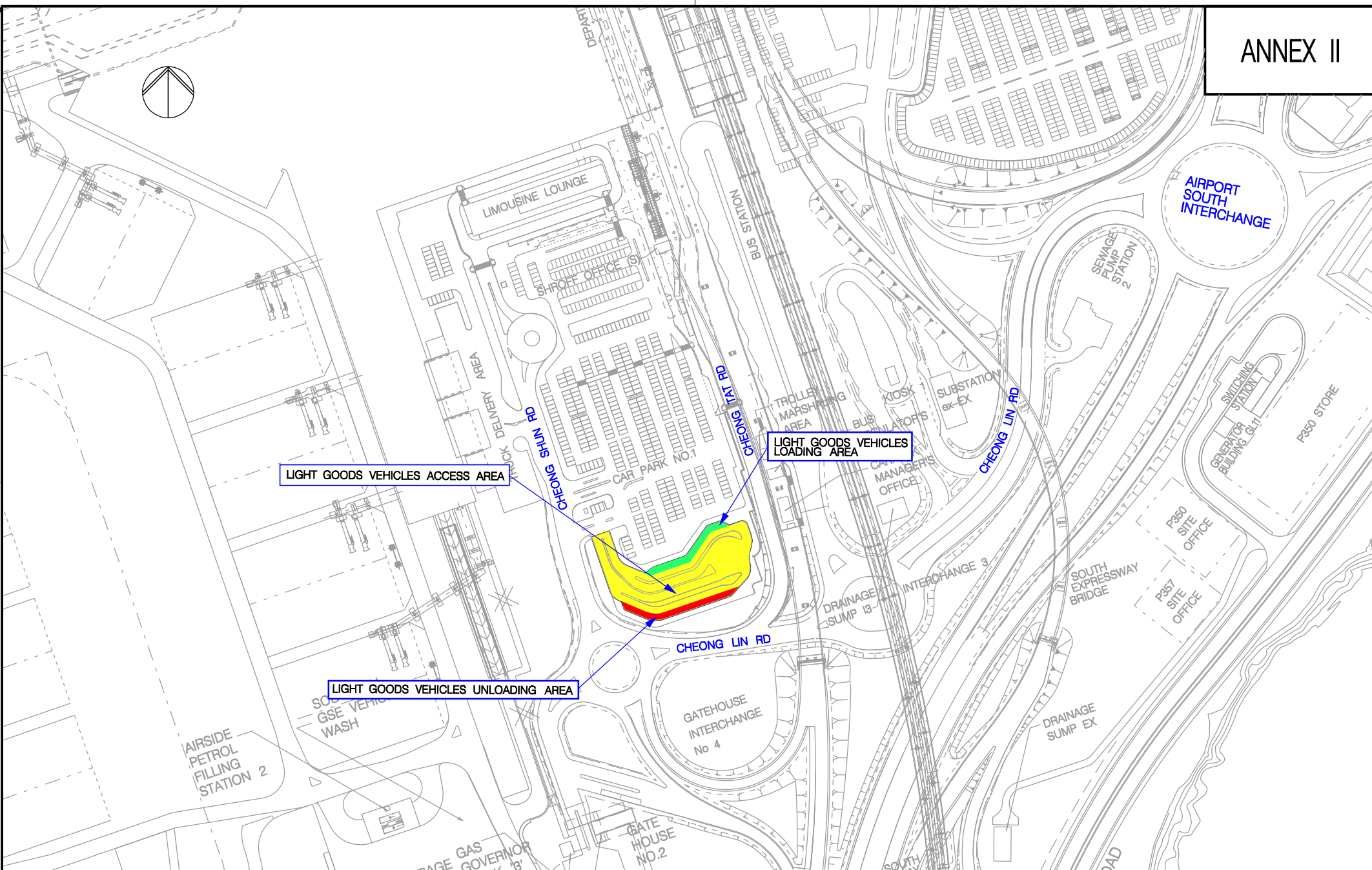
# ANNEX I



			Airport Authority HKIA Tower, 1 Sky Plaza Road, Hong Kong International Airport, Lantau, Hong Kong.		Title <b>PROHIBITED ZONES AT AIRPORT</b>		Signatures for Approval Design Supervisor : L. KWONG Checkers : B. AU YEUNG Authorised Representative : S. LAM		Date Hong Kong International Airport Drawing No. <b>TSP / 000 / C / 1151</b> Scale 1 : 5000 (A3) Rev. A	
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Rev.	Date	Description	Checked							



# ANNEX II



			Airport Authority HKIA Tower, 1 Sky Plaza Road, Hong Kong International Airport, Lantau, Hong Kong.		Title  <b>RESTRICTED ZONES AT AIRPORT</b>		Signatures for Approval Design Supervisor : L. KWONG Checkers : B. AU YEUNG Authorised Representative : S. LAM		Date  Hong Kong International Airport Drawing No. <b>TSP / 000 / C / 1152</b> Scale 1 : 2000 (A3) Rev. A	
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# **立法會**

## ***Legislative Council***

LC Paper No. CB(1)297/06-07

Ref. : CB1/PL/TP

### **Panel on Transport**

#### **Background brief on review of the roles and functions of taxis and van-type light goods vehicles in the transport services sector**

### **Purpose**

This paper sets out the background giving rise to the need to review the roles and functions of taxis and van-type light goods vehicles (LGVs) in the transport services sector, and summarizes the views expressed by the Administration, the two trades and members of the Transport Panel (the Panel) in this regard.

### **Background**

2. A van-type LGV refers to a goods vehicle having permitted gross vehicle weight not exceeding 5.5 tonnes and its maximum passenger seating capacity is five. The role of a goods vehicle, including van-type LGV, is primarily for carriage of goods. The use of van-type LGV is regulated by the Road Traffic Ordinance (RTO) (Cap. 374). According to section 52 of RTO, it is legal for van-type LGVs to carry goods for hire and reward and the fare charged for carriage of goods is not regulated. However, it is an offence to use van-type LGVs for carrying passengers for hire and reward. It is also illegal for a person to solicit or attempt to solicit any person for hire or reward to travel in a van-type LGV. The taxi trade has pointed out that some van-type LGVs have been engaging in illegal operation at the Hong Kong International Airport (HKIA) which have adversely affected their businesses.

3. The Public Policy Research Institute of the Hong Kong Polytechnic University carried out a taxi services (market competition) policy review from 15 November 2005 to 14 February 2006 to review, inter alia, the situation of the market intrusion of the van-type LGVs into the taxi trade. The report was released in February 2006 and submitted to the Panel for follow-up. According to the findings of the report, 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. Among the recommendations put forward in the report to rectify the situation, there are proposals to amend RTO and its subsidiary legislation to better confine the

operation of van-type LGVs to carriage of goods for hire or reward, such as by reducing their maximum passenger seating capacity from five to two, and by clearly defining the terms “personal effects” and “goods” in RTO (the proposed legislative amendments). These proposals have aroused heated debate among the LGV and taxi trades.

### **Discussion by the Panel**

4. In the light of the findings and recommendations of the above report, which are highlighted in **Appendix I**, the Panel reviewed with the Administration and the two trades at the regular Panel meeting on 24 March 2006 the roles and functions of taxis and van-type LGVs in the transport services sector, the regulatory framework and licensing system for van-type LGVs, the enforcement procedures and measures for tackling unauthorized operation of van-type LGVs, etc. 39 deputations from the two trades attended the meeting to express their views.

#### Views of the Administration

5. At the meeting, the Administration reported that various measures as highlighted in **Appendix II** were presently taken to combat against illegal van-type LGVs and taxis operations at HKIA. It further explained that van-type LGVs and taxis each had a distinctive role. Problems had emerged mainly because certain van-type LGVs were illegally operating outside their scope of operations, and were carrying passengers for hire or reward.

6. On whether a van-type LGV was conducting business legally, the Administration had advised that it was not merely determined by the type of “goods” it carried but also the specific facts and details of the trip concerned. For example, if a van-type LGV was carrying 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.

7. Regarding the proposed legislative amendments, the Government’s stance was that due to their impact on the existing scope of operations of the LGV and taxi trades as well as on the market they were allowed to serve, a prudent approach would be taken to consider the concerns of the trades and hold further discussions with them before examining the need of the proposed legislative amendments.

#### Views of the two trades

8. *The taxi trade* in general found the measures highlighted in Appendix II inadequate. They pointed out 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. They therefore indicated support for the introduction of the proposed legislative amendments to facilitate enforcement against illegal operations of van-type LGV service. Some members of the taxi trade also took the view that the Government should implement measures to tackle the rampant illegal operation of van-type LGVs at HKIA, such as by designating specific areas at HKIA for van-type LGVs to load and unload their goods, explaining clearly to the general public that taxis were used for the carriage of passengers while van-type LGVs for the carriage of goods, etc. They also pointed out that it was unfair to allow LGV operators to intrude into the scope of operations of taxi operators because firstly, 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. Secondly, taxi drivers were required to pass through specific written examination after getting their driving licences for three years. Some taxi drivers and operators attending the meeting also took the opportunity to complain that certain Government departments hired van-type LGVs to transport their staff in the course of carrying out duties.

9. While conceding that there were illegal operations among some van-type LGV drivers, *the LGV trade* urged the Government to step up enforcement actions against the drivers concerned only, and objected to the proposed legislative amendments on grounds that any change in the legislation would affect all van-type LGV operators and was not warranted yet. The LGV trade also pointed out that the difficult business environment of taxis might be attributable to the high taxi licence premium. It was also 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 LGV operators. They further stressed that van-type LGV had its own role in the transport services sector. For example, some small families would need to use van-type LGVs, instead of taxis, for specific activities such as household removal. Because of the very competitive and efficient services rendered by LGVs to small and medium enterprises, LGV operation had also contributed significantly to the logistics development in Hong Kong. In consideration of the above role and functions of van-type LGVs, the LGV trade expressed strong opposition to the following two proposals –

- (a) The proposal to reduce the maximum passenger seating capacity of van-type LGVs because this would reduce their flexibility and limit the choice of passengers, especially as some van-type LGV owners also deployed their vehicles for personal use; and
- (b) The proposal to strictly enforce the specification that the minimum weight of goods that could be carried by van-type LGVs should be 200kg. The proposal was not practical as some goods such as props which were less than 200 kg could not be transported by taxis due to their size and bulkiness.

#### Views of members

10. Members in general found the conflict between the taxi trade and the



van-type LGV trade regretful. They expressed concern about inadequate enforcement and prosecution against illegal operation of van-type LGVs at HKIA, and urged the Administration to address the crux of the problem, which in their view was that the Police had difficulty in initiating prosecution against van-type LGVs for carrying passengers for hire and reward because they could not ascertain whether the reward was for the carriage of goods or passengers, when both were being transported by a LGV. Moreover, because of the lack of a clear definition of “goods”, some operators of van-type LGVs also had the impression that they could legitimately carry luggage as well as its owner to and from HKIA.

11. Certain members also opined that the above conflict might have been caused by Government’s transport policy, which in their view was seriously tilted in favour of rail transport, leaving very little room for other modes of public transport to operate. These members urged the Government to review its transport policy to ensure the viability of different transport modes. In relation to the taxi trade’s complaint that Government departments also used the service of van-type LGVs for carriage of passengers, some members also called upon the Administration to urge all Government departments not to engage illegal transport service in future.

12. Concluding the discussion, the Panel agreed that to combat and control illegal transport services at HKIA, the Administration and the Airport Authority (AA) should step up enforcement and examine the proposal for restricting van-type LGVs’ activities within HKIA’s goods loading and unloading area only. The Panel also asked the Administration to take the following actions –

- (a) To examine and report back in October 2006 the need for and feasibility of introducing the proposed legislative amendments. The requested report should include relevant enforcement figures; and
- (b) To provide 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 carriage of goods but not passengers for hire and reward.

13. Regarding the proposal to designate specific goods loading and unloading areas for van-type LGVs at HKIA, AA had put forward a preliminary proposal for members’ consideration in April 2006. Details of the proposal are set out in **Appendix III**. A consensus view between the taxi trade and LGV trade on the proposed arrangements has yet to be reached. .

14. A list of the relevant papers is in **Appendix IV**.

### **Findings and recommendations of the policy review conducted by the Public Policy Research Institute of the Hong Kong Polytechnic University on taxi services (market competition)**

#### Findings

The review revealed the following facts:

- a) The taxi passenger carriage business in general has been slowing down and getting more difficult in the last four years; the situation of taxi in New Territories is worst. The taxis have to wait longer to get a passenger while a passenger waits less to ride on a taxi at taxi stands. The taxi in Lantau is however an exception, enjoying a growing business. The Lantau taxi waits a lot shorter time to get a passenger.
- b) Van-type light goods vehicle (LGV) is an obvious competitor of the taxi. Companies advertise their transportation services (passenger with or without goods) on vehicle bodies and many web-sites. The number of licensed light goods vehicles has been rising in the last few months in 2005. The fleet of LGV is nearly four times larger than that of the taxi.
- c) Over 99% of the van-type LGVs running in the urban areas or operating in roadside during loading/unloading carry two or less than two passengers in the front seat. Some 43% of the van-type LGVs performing roadside loading/unloading activities have only the front seat in the vehicles.
- d) The carrying capacity of the taxi can cater for 95% of the transport services demands of traveling passengers at the airport. Only less than 5% of the passengers who either travel in groups larger than five or carry goods/luggage more than ten pieces that the taxi cannot cope with.
- e) A significant number and proportion of van-type LGVs carry more than two passengers at the airport, indicating that they may carry passengers for rewards which may not be permitted in law.
- f) There are significant numbers and proportions of 5-seater private car, 7-seater private car and van-type LGVs probably running passenger carriage business at the airport. Around one in five of these vehicles appeared more than once in one of the survey days.
- g) The fare of the taxi services is competitive for trips less than HK\$100 but gradually loses its competitiveness as the trips get more expensive or longer compared to the fare quotations from the van companies. The fare levels quoted by the van companies are more negotiable as the fare gets more

expensive.

- h) Taxi services and fare levels are governed by dedicated offices in major world cities such as New York and London. The carrying capacity of taxi is not necessarily five and many major world cities and countries do allow a higher carrying capacity. There may be different types of taxi with larger capacity to serve passengers at the airport.
- i) It is also common to have licensed hire vehicles to take passengers to and from the airport. These licensed hire vehicles may have a much higher carrying capacity, say 20 for New York. However, these vehicles are not allowed to accept hails on the street. Passengers have to pre-book these vehicles from licensed agencies.
- j) The Chapter 374 Road Traffic Ordinance of the Hong Kong law regulates all passenger carriage vehicles. Apart from taxi, it allows licensed hire vehicles to carry passengers. The light goods vehicles are allowed to carry up to five passengers. However, all light goods vehicles are not allowed to carry passengers for rewards. The current practices of the van-type LGVs, in particular, advertising, soliciting and charging passengers without goods are likely violating the relevant clauses of the Road Traffic Ordinance. But, there are no court cases found involving this clause of Chapter 374 in the database of the judiciary web-site.
- k) There is a grey area in the relevant clause of Chapter 374 Road Traffic Ordinance regarding the definitions of personal effects and goods. The licensed van-type LGVs are permitted to carry goods but not passenger with personal effects for hire or reward. However, the same Ordinance explains that personal effects can be small items personal belongings and can also be goods.

### Recommendations

Based on these facts, the Institute have the following recommendations:

- a) The business environment of the urban and New Territory taxis has been getting worse over the last four years probably owing to the deteriorating economic situation in Hong Kong. There is a general hard feeling in the trade. Further market intrusion in the taxi business will certainly aggravate this hard feeling. The services offered by the van-type LGV companies obviously jeopardize to the taxi business. The activity of the van-type LGV especially at the airport probably violates the Chapter 374 Road Traffic Ordinance. The responsible authority should take immediate actions to stop all illegal activities that harm the taxi business market.
- b) At the policy level, the current situation that the van-type LGV and the taxi offer overlapping passenger carriage services especially at the airport is highly unsatisfactory. The only difference of these two services is that van-type

LGV is not permitted to accept hails on street while taxi can. This situation inflicts an equity issue. Taxi is highly regulated including requirements of drivers, vehicle body and fare level. It also has to bear a very high capital costs in terms of the high license fee, in the order of HK\$3 million. The van-type LGV is less regulated and bears much lower capital cost to operate. The intention of the law maker should not have allowed this to happen. In view of the market intrusion situation as revealed in this review, there is an immediate need to restrict the services offered by van-type LGV to primarily carry goods so as to comply with the spirit of the law. This task certainly requires the legal professional to do. As non-legal professionals, we can only contribute some ideas for the direction to change. There are three possible directions -

- i. to limit the passengers carried by the van-type LGV to 2 and in effect do away with the back seats of this type of vehicles in order to reflect the primary role of goods carrying for this type of vehicle. The impact of this change to those van-type LGVs genuinely for goods carrying is minimal. Less than 1% of van-type LGV carry more than 2 passengers at the screenline survey and 2.6% at roadside survey as shown in the survey results;
  - ii. to specify the key words “goods carriage” to be used in advertising the LGV (including van-type LGV) services; as such there is no confusion in public perception; and
  - iii. to clearly define the term “personal effects” and “goods” in the Chapter 374 Road Traffic Ordinance so that goods do not include small personal items such as a brief case or a small bag.
- c) There is a significant number of private cars likely to run passenger carrying business at the airport. These private cars may be licensed hire cars, company cars and hotel cars. However, some of them may also be unlicensed passenger vehicles. As such, these vehicles are probably operating illegally. They intrude severely into the taxi business market. The authority should step up the enforcement action against these illegal activities.
- d) To cater for the demands of passengers who may travel in big group with more luggages at the airport, a larger taxi body is needed. The taxi trade may consider using a larger taxi car model so as to increase its luggage carrying capacity and the authority may consider allowing taxi to have a larger passenger carrying capacity to meet with these demands at the airport. There are many larger taxi models running in many major world cities.

*(Source: Chapter VI of the Report on taxi services (market competition) policy review)*

### **Measures taken to combat against illegal van-type light goods vehicles and taxis operations at the Hong Kong International Airport**

The following measures are presently taken to combat against illegal van-type light goods vehicles (LGVs) and taxis operations at the Hong Kong International Airport (HKIA) -

*(a) Task Force Against Illegal Transport Services in Hong Kong International Airport*

A special task force named “Task Force Against Illegal Transport Operation in Hong Kong International Airport” (the Task Force) was set up jointly by the Airport Authority (AA), the Police and the Transport Department (TD) in July 2005 to formulate appropriate measures to tackle unauthorized transport operations and other illegal activities including passenger solicitation at HKIA from the perspective of traffic management and enforcement.

*(b) Administrative and management control*

At present, the activity of picking up arriving passengers by vehicles (and setting down passengers, as well as loading/unloading of goods of van-type LGVs which are not allowed to set down at the departure kerb) is designated at HKIA’s car parks with 30-minute free parking allowance. To prevent abuse of car park kerb and possible soliciting activities, AA revised the charging system for the car parks with effect from 26 September 2005 such that a vehicle can only enjoy 30-minute free parking once in every three hours, instead of enjoying free parking for the first 30 minutes whenever a vehicle entered the car parks.

*(c) Enforcement actions*

The Police are conducting regular uniformed and plainclothes operations at HKIA to tackle illegal operations of van-type LGVs there. Action is also taken on a daily basis to discourage potential operators from using the car parks to await customers.

2. In addition, the Government has also undertaken to enhance publicity to let the transport trades and the general public better understand that van-type LGVs can only be used for carriage of goods but not passengers for hire and reward. A high-level liaison meeting involving relevant bureaux and departments to provide enhanced co-ordination and steer for measures proposed by the Task Force would also be convened on a need basis.

## **Proposal on Designated Goods Loading / Unloading Area for Van-type Light Goods Vehicle at Hong Kong International Airport (HKIA)**

### **Background**

In response to transport trades' request made at the Transport Panel's meeting on 24 March 2006, for having separate areas to pick up and set down of passengers and goods, the Airport Authority (AA) puts forward the following proposal for the taxi trade and van-type light goods vehicle (LGV) trades' consideration.

### **Fundamental Principles**

In formulating the proposal, AA adheres to two fundamental principles. First, any proposal must enable AA to provide high quality services to airport users. Second, the proposal has to be conducive to maintain a smooth airport operation.

### **Proposal**

Within the designated goods loading / unloading area, separate kerbs will be constructed to facilitate loading and unloading activities.

#### **administrative measures**

##### **Unloading**

- LGVs carrying light goods to the Airport can make use of the unloading kerb to off-load the goods.
- Must leave the Area immediately upon completion of off-loading process.

##### **Loading**

- Only LGVs with AA issued permit are allowed to make use of the loading kerb for pick-up of goods (Proposed Permit Registration Fee HK\$100 per month).
- LGVs with pre-arranged order must pre-register with AA at least one hour before the estimated arrival of the flight.
- A call forward system will be arranged, and no waiting will be allowed at the loading kerb.
- 15 minutes will be allowed for loading of goods. HK\$30 per half hour will be levied after the 15-minute complimentary loading time.

#### **locations**

Based on the aforementioned fundamental principles, 3 suitable locations have been identified for the construction of the Designated Loading / Unloading Area.



They are:

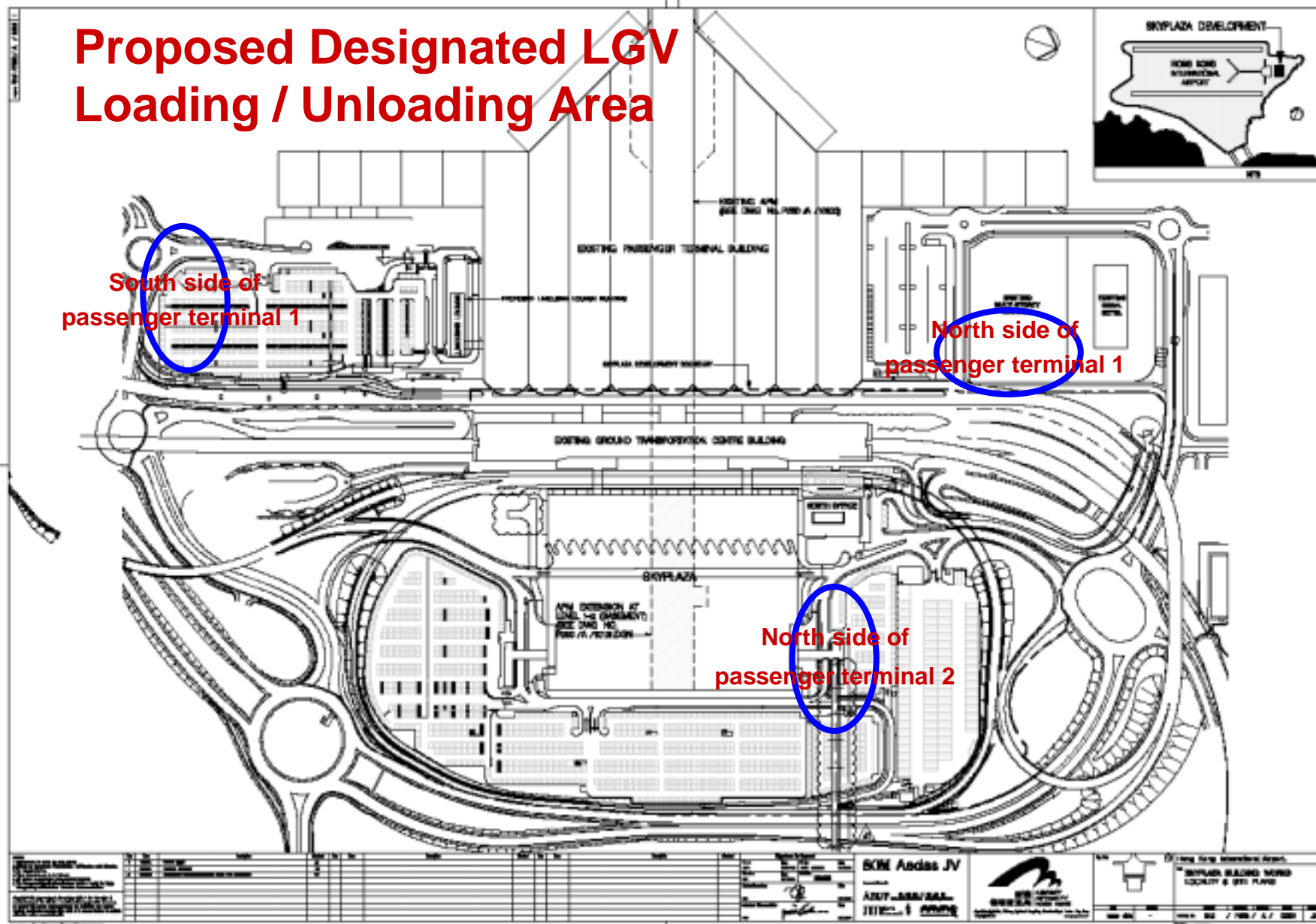
- North side of existing passenger terminal 1
- South side of existing passenger terminal 1
- North side of the new passenger terminal 2

(Please see attached map for exact location)

### **Consultation with Transport Trades**

AA started consulting with the LGV and taxi trades on the proposal on 6 April 2006. AA welcomes any views from the trades and will listen to their opinions and evaluate their recommendations in accordance with the two fundamental principles which are the provision of high quality service and the maintenance of a smooth airport operation.

Airport Authority, Hong Kong  
April 2006



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

**List of relevant papers**

Panel/Committee	Date	Paper
Transport Panel	24 March 2006	<p>Administration's information paper on roles of taxis and van-type light goods vehicles and measures taken against their illegal operation (LC Paper No. CB(1)1139/05-06(04))  <a href="http://www.legco.gov.hk/yr05-06/english/panels/tp/papers/tp0324cb1-1139-4e.pdf">http://www.legco.gov.hk/yr05-06/english/panels/tp/papers/tp0324cb1-1139-4e.pdf</a></p> <p>A letter dated 16 February 2006 from Hon Miriam LAU Kin-yea requesting the Panel to review the roles played by taxi and light goods vehicle in the transport market (LC Paper No. CB(1)929/05-06)  <a href="http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tpcb1-929-1c.pdf">http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tpcb1-929-1c.pdf</a></p> <p>Submission from the Hong Kong Union of Light Van Employees (LC Paper No. CB(1)1043/05-06(01))  <a href="http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1043-1c-scan.pdf">http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1043-1c-scan.pdf</a></p> <p>Submission from Hong Kong Kowloon Taxi &amp; Lorry Owners' Association Ltd (LC Paper No. CB(1)1069/05-06(01))  <a href="http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1069-1c-scan.pdf">http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1069-1c-scan.pdf</a></p> <p>Submission from N.W. Area Taxi Drivers &amp; Operators Association (LC Paper No. CB(1)1089/05-06(01))  <a href="http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1089-1c-scan.pdf">http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1089-1c-scan.pdf</a></p>

Panel/Committee	Date	Paper
		<p>Submission from Tai Wo Motors Ltd. (LC Paper No. CB(1)1089/05-06(02))  <a href="http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1089-2c-scan.pdf">http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1089-2c-scan.pdf</a></p> <p>Submission from Shing Kee Lorry Transportation Company Limited (LC Paper No. CB(1)1089/05-06(03))  <a href="http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1089-3c.pdf">http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1089-3c.pdf</a></p> <p>Submission from Elephant Transportation Centre (LC Paper No. CB(1)1089/05-06(03))  <a href="http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1089-3c.pdf">http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1089-3c.pdf</a></p> <p>Submission from Easyvan Calling Centre (Transport) Co. Ltd. (LC Paper No. CB(1)1089/05-06(03))  <a href="http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1089-3c.pdf">http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1089-3c.pdf</a></p> <p>Submission from 東方貨運有限公司 (LC Paper No. CB(1)1089/05-06(03))  <a href="http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1089-3c.pdf">http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1089-3c.pdf</a></p> <p>Submission from 先鋒客貨車電召中心 (LC Paper No. CB(1)1089/05-06(03))  <a href="http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1089-3c.pdf">http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1089-3c.pdf</a></p> <p>Submission from High Quality Transportation Centre (LC Paper No. CB(1)1089/05-06(03))  <a href="http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1089-3c.pdf">http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1089-3c.pdf</a></p> <p>Submission from 港鴻電召運輸有限公司 (LC Paper No. CB(1)1089/05-06(03))</p>

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		<p>(<a href="http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1089-3c.pdf">http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1089-3c.pdf</a>)</p> <p>Submission from Yes Go Go Calling Centre (Transport) Co (LC Paper No. CB(1)1089/05-06(03))</p> <p>(<a href="http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1089-3c.pdf">http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1089-3c.pdf</a>)</p> <p>Submission from Total Recall Transportation Centre (LC Paper No. CB(1)1089/05-06(03))</p> <p>(<a href="http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1089-3c.pdf">http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1089-3c.pdf</a>)</p> <p>Submission from Kai Kee Van (LC Paper No. CB(1)1089/05-06(03))</p> <p>(<a href="http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1089-3c.pdf">http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1089-3c.pdf</a>)</p> <p>Submission from Dynasty Cargo-Passenger Service Paging Centre (LC Paper No. CB(1)1089/05-06(03))</p> <p>(<a href="http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1089-3c.pdf">http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1089-3c.pdf</a>)</p> <p>Submission from Sai Kung Taxi Operators Association Ltd (LC Paper No. CB(1)1089/05-06(04))</p> <p>(<a href="http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1089-4c-scan.pdf">http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1089-4c-scan.pdf</a>)</p> <p>Submission from Sun Hing Taxi Radio Association (LC Paper No. CB(1)1090/05-06(01))</p> <p>(no softcopy)</p> <p>Submission from Taxi &amp; P.L.B. Concern Group (LC Paper No. CB(1)1111/05-06(01))</p> <p>(<a href="http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1111-1c-scan.pdf">http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1111-1c-scan.pdf</a>)</p>

Panel/Committee	Date	Paper
		<p>Submission from New Territories Taxi Drivers' Rights Alliance (LC Paper No. CB(1)1139/05-06(03)) (<a href="http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1139-3c-scan.pdf">http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1139-3c-scan.pdf</a>)</p> <p>Submission from the Transport and Logistics Workers' Union (LC Paper No. CB(1)1195/05-06(01)) (<a href="http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1195-1c-scan.pdf">http://www.legco.gov.hk/yr05-06/chinese/panels/tp/papers/tp0324cb1-1195-1c-scan.pdf</a>)</p> <p>Minutes of the meeting (LC Paper No. CB(1)1234/05-06) (<a href="http://www.legco.gov.hk/yr05-06/english/panels/tp/minutes/tp060224.pdf">http://www.legco.gov.hk/yr05-06/english/panels/tp/minutes/tp060224.pdf</a>)</p> <p>Administration's paper on "proposal on designated goods loading/unloading area for van-type light goods vehicles at Hong Kong International Airport" (LC Paper No. CB(1)1262/05-06(01)) (<a href="http://www.legco.gov.hk/yr05-06/english/panels/tp/papers/tp0324cb1-1262-1e.pdf">http://www.legco.gov.hk/yr05-06/english/panels/tp/papers/tp0324cb1-1262-1e.pdf</a>)</p>



**PRESIDENT** (in Cantonese): Dr KWOK Ka-ki, in fact, all you have to do is to say that the Secretary has not answered the part of your supplementary question concerning the situation of the DH.

Secretary, do you wish to reply in writing or give an oral reply now?

**SECRETARY FOR THE CIVIL SERVICE** (in Cantonese): President, perhaps I will give an oral reply.

The training that a medical officer could get is determined mainly by the officer himself. For instance, are suitable candidates with the relevant training available in the market in case an open recruitment is conducted? If so, does it mean that it is right for us to recruit people to fill the civil service position in question with this recruitment requirement? It is because not only the Government will provide in-house training.

**PRESIDENT** (in Cantonese): Fourth question.

### **Taxi Fare Bargaining**

4. **MS MARGARET NG** (in Cantonese): *President, the Secretary for the Environment, Transport and Works said openly on 3 June 2003 that fare bargaining between taxi drivers and passengers might not necessarily constitute a breach of the law, and that while the bargaining of taxi fare by passengers was allowed, taxi drivers were prohibited from soliciting business by offering fare discounts, as this might lead to traffic chaos. I have received complaints that fare bargaining has since become a very common phenomenon. Some taxi drivers, commonly known as members of the "taxi discount gangs", would hint their willingness to offer fare concessions by distributing name cards or through taxi radio stations. An increasing number of taxi drivers, succumbing to competition pressure, have joined their ranks, and more and more passengers bargain with the taxi drivers on boarding the taxis, rendering the taximeters almost useless. Moreover, taxi drivers of the "discount gangs" will issue to passengers, upon request, receipts showing a fare higher than the actual fare for claiming reimbursement of taxi fares from organizations employing them. Such acts might constitute aiding the passengers concerned in defrauding. In this*

*connection, will the Government inform this Council of the measures, including investigation, prosecution or legislative amendments, taken or to be taken to put an end to such a state of affairs?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese): First of all, I would like to point out that the Government has made it very clear that no taxi driver shall in any manner, including offering fare discounts or concessions, attract passengers in order to induce them to make use of his vehicle. Soliciting is an offence under the law and offenders on conviction are liable to a maximum penalty of a fine of \$10,000 and six-month imprisonment.

In the same vein, we have spelled out to the public that taxi passengers are obliged by law to pay the legal fares recorded on the taximeters. In other words, any passenger who refuses to pay the fares as recorded commits an offence. Whatever excuse should not be used as a reason for breaking the law. Offenders are liable to a maximum penalty of a fine of \$3,000 and six-month imprisonment.

Enforcement action has been actively taken to curb taxi soliciting activities. A total of 93 persons were prosecuted by the police for taxi soliciting between October 2005 and September 2006. Seventy-five of them were convicted and fined between \$340 and \$4,000, while the remaining cases are being processed. The police will continue to take enforcement actions against these illegal activities and welcome the trade and the public to report suspected cases.

In addition, to enhance the deterrent effect, the Transport Department (TD) publishes regularly the relevant enforcement figures through the *Quarterly Newsletter on Taxi* to keep the trade informed of the Government's latest operations against taxi soliciting activities.

The TD has also stepped up publicity on fare bargaining to remind taxi passengers of their responsibility to pay the legal fares recorded on the taximeters. Publicity comes in the form of promotional stickers displayed inside taxi compartments, distribution of leaflets, and posters put up at various districts and major taxi stands. The TD will continue their promotional efforts and is planning further promotional activities.

In response to the suggestion from some members of the urban taxi trade that the Government should amend the law to require taxi drivers to charge the exact fare recorded on the taximeters, the TD has recently sent out questionnaires to the urban taxi trade for consulting their views. The Government needs to handle this issue carefully. It is because all along there have been divergent views within the taxi trade on whether the law should be amended. The trade also wants to ascertain whether there is any consensus among their members on this issue before exploring this further. We have carried out similar study before but no majority support for legislative amendment to prohibit passengers from fare bargaining could be secured.

On the other hand, Regulation 37 of the Road Traffic (Public Service Vehicles) Regulations provides that no taxi driver shall refuse to issue a fare receipt on passenger's demand. The receipt must be printed by the receipt printing device installed in the respective taxi, showing information of the trip concerned, including the distance travelled, the duration of the hiring and the total amount of fares. Where the receipt printing device installed is not in proper working order, the driver can issue a receipt in manuscript in a format prescribed by law in lieu of a printed one. Taxi passengers are obliged by law to pay the legal fares recorded on the taximeters. If the fare a passenger pays is lower than the legal amount but he claims for reimbursement by producing a receipt showing the original fare, he may have committed criminal offences such as fraud.

**MS MARGARET NG** (in Cantonese): *President, I thank the Secretary for clarifying that taxi passengers must pay the fare recorded on the taximeters. In the last paragraph of the main reply, the Secretary stated that if the fare a passenger pays is lower than the legal amount recorded on the taximeters, he may have committed criminal offences such as fraud. May I ask her how enforcement actions will be taken? First of all, of course, there must first be a breach of the law before an enforcement action can be taken, but what should be done about the passenger taking the initiative to bargain the fare instead of the taxi driver inducing the passenger to do so? Moreover, she also pointed out that taxi passengers are obliged by law to pay the legal fares recorded on the taximeters. President, I have also read the law, which only stipulates that taxi drivers shall not charge a fare exceeding the appropriate rates prescribed in Schedule 5. In other words, taxi drivers are prohibited from charging a fare higher than the amount recorded on the taximeters, but they are not prohibited*

*from bargaining or charging a fare lower than the amount recorded on the taximeters. As such, how could we prove that there is a breach of the law? In effect, how will the Government gather evidence to enforce the law? If the law is not enforceable, it will become nothing but empty talk.*

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS**

(in Cantonese): It is certainly stipulated in the provisions that taxi drivers shall not charge a fare exceeding the amount recorded on the taximeters; while Regulation 48 is about passengers, which spells out that no passenger shall dishonestly endeavour to avoid payment of a legal fare lawfully due from him and the legal fare is the amount recorded on the taximeter. I am referring to the passengers' responsibilities. If we want to prosecute passengers for fare bargaining, taxi drivers will have to report such cases in the first place so that we can be aware of them. In the past 12 months, that is, from October 2005 to September 2006, four passengers in total were prosecuted by the police for refusing to pay the legal taxi fares. All four of them were convicted and fined \$500 to \$1,200. Hence, passengers who refuse to pay taxi fares can be prosecuted under the law.

**MS MARGARET NG** (in Cantonese): *Will the Secretary please briefly provide the information of these four cases to see whether they dovetail with the situation of taxi passengers bargaining the fare, or they were simply cases of taxi passengers refusing to pay the fare?*

**PRESIDENT** (in Cantonese): This is not part of your supplementary question just now, but I believe the Secretary has heard what you said and she will decide what to do.

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in Cantonese): I will go back and consult our DoJ (Department of Justice).

**PRESIDENT** (in Cantonese): There are altogether 12 Members waiting for their turns to put supplementary questions. I hope Members who have the opportunity to put questions can be as concise as possible.

**MR ANDREW CHENG** (in Cantonese): *The Secretary mentioned in her reply just now that only those passengers who dishonestly avoid payment of taxi fares may breach the law, but the point is that it is hard to expect taxi drivers of the "discount gangs" to take the initiative to report such cases, because both sides are happy — the passengers can pay a lower fare, while the taxi drivers can maintain their business and make money. Thus, does the Secretary agree that there is a major grey area in the present law? Should the Secretary expeditiously give some thought to making it clear in the law that, in order to curb the "taxi discount gangs", neither taxi drivers nor passengers can bargain the taxi fares, and that they must charge or pay the taxi fares recorded on the taximeters, and then adopt the measure of fare concessions, which is currently being discussed within the taxi trade, as the overall solution to the existing problem of "taxi discount gangs"?*

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS**

(in Cantonese): I have, in fact, already pointed out in the main reply that enforcement actions against illegal means of soliciting passengers are ongoing. For some time in the past, the police have adopted many different measures, such as undercover operations, to crack down on those taxi radio systems and also taxi drivers who have breached the law. Moreover, the TD has all along been discussing with the taxi trade the solution to the problem of fare bargaining by passengers. I believe Members may well know that this issue has become a great concern in the past few years ever since the business started to turn for the worse. In the relevant panel meetings, some members of the trade put forth a legislative proposal. However, as the taxi trade involves different parties, including taxi owners, drivers who rent taxis and drivers cum owners, and they each have varying interests and thus different considerations as to whether they will support amending the law to prohibit passengers from fare bargaining and requiring drivers to charge the fares as recorded on the taximeters. This is a very sensitive issue and the taxi trade hopes that a consensus can be reached within the trade before proceeding to the next stage of work.

In 2005, we conducted a questionnaire survey, but failed to secure a majority support from the interviewees on to the issue of legislative amendment — for instance, as I have said just now, on the two issues of prohibiting passengers from fare bargaining and requiring drivers to charge the fares as recorded on the taximeters. I believe Members may well recall that in response

to the market demand, we raised the issue of taxi fare, that is, just as Mr CHENG has requested just now, that the taxi trade should be consulted again on the possibility of a fare concession. We have sent out questionnaires to gauge the views of the trade which, in turn, has put forth two proposals, and we are now in the process of consultation.

Members may well remember the controversy over fare concession back in 2002, in which actually over 90% of the members present at the trade's meeting supported a fare concession. However, due to strong opposition from various quarters, the proposal ultimately did not come through. We do not wish the matter to unfold into something like that so as not to affect the operation of the community. We, thus, will handle such matters through consultation on different occasions and in panel meetings so as to strive to reach a consensus within the trade and then decide what to do next.

**MS EMILY LAU** (in Cantonese): *President, I have also received many complaints about the "taxi discount gangs". I heard the Secretary say that a consensus should be reached in handling many matters, but the public feels that some matters are now challenging the entire system of Hong Kong. Despite some systems are in place, they are almost useless. I thus hope that the Secretary will come back to the relevant panels of the Legislative Council and reach a consensus there and then proceed to work.*

*The Secretary mentioned in the penultimate paragraph of the main reply — which is not written by her but she has repeated it again just now — the failure to secure a majority support. What support should it be? It is the support for requiring taxi drivers to charge the fare recorded on the taximeters. If support could not be secured on this point, then, what are the taximeters for? Are the taxi drivers that formidable? What could be done then? Not to mention if we want to introduce fare concessions or other things. What is in the mind of the taxi trade? I know that the taxi trade is one of the knotty problems to the Government, but if something has to be done and it has secured the support of the Legislative Council, I will pledge my support to the Secretary because the public is suffering and there are public outcries saying that the present state of affairs is most unfair.*

**PRESIDENT** (in Cantonese): Miss Emily LAU, I am not very clear about what your supplementary question is.



**MS EMILY LAU** (in Cantonese): *In view of the failure to secure the majority support of the taxi trade on charging the fare recorded on the taximeters, I am asking her what it is all about. This is something we all regard as correct, but the Secretary said that it could not be implemented because the trade did not support it. Not to mention if we want to have a fare concession or an amendment to other legislation.....*

**PRESIDENT** (in Cantonese): That will do. As long as you have stated your supplementary question, that will be enough.

**MS EMILY LAU** (in Cantonese): *That is, there is no need to charge the fare recorded on the taximeters now?*

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS** (in Cantonese): We fully understand that there are divergent views within the trade on the issue of requiring taxi drivers to charge the exact fare as recorded on the taximeters, because they think that there should be some flexibility with the taxi fare. For example, a taxi driver may have chosen a wrong route and thus he is willing to charge \$2 less in fare as an apology for taking a detour. Such situations do exist. Yet, we have explained to them that these are exceptional cases, which are nothing like an across-the-board fare concession that the "taxi discount gangs" are offering now. We agree that there are indeed problems with the taxi market, and we are thus tackling the problems through various means. Regarding this questionnaire survey, we hold that it is not merely on the law because the problem is also closely related to the taxi fare issue. In other words, we currently have some fare concession proposals to address the imbalanced market. This also needs to be carried out before the operation of the market can be rationalized.

**PRESIDENT** (in Cantonese): We have spent more than 16 minutes on this question. Last supplementary question.

**MS MIRIAM LAU** (in Cantonese): *I am worried that the Secretary has mixed up the issue of charging the fare recorded on the taximeters with that of fare*

*concessions. In the penultimate paragraph of the main reply, the Secretary mentioned that some members of the urban taxi trade suggested that the Government should amend the law to require taxi drivers to charge the exact fare recorded on the taximeters and the TD has recently sent out questionnaires to the urban taxi trade to consult their views. However, as far as I know it, that consultation is not on whether fare should be charged as recorded on the taximeters. According to the questionnaire in my hand now, that consultation is on whether they support a fare concession by choosing one out of four proposals. It is not related at all to the issue of whether the trade should charge the exact fare recorded on the taximeters. If the Secretary agrees with me and thinks that the information I have is correct, will she appropriately amend the penultimate paragraph of her main reply?*

*Moreover, will the Secretary truly conduct a consultation on the views of the taxi trade in relation to charging the fare recorded on the taximeters? As far as I know it, the views of the taxi trade on this issue are not as divergent as the Secretary has said. Of course, the situation of drivers taking the wrong route, which the Secretary has cited, does happen, and it is true that there are divergent views over the issue of fare concessions, but the two issues should not be mixed up. Will the Secretary formally conduct a consultation on the views of the trade in relation to charging the fare recorded on the taximeters?*

**SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS**

(in Cantonese): First of all, I wish to make a clarification on this questionnaire survey. I have this questionnaire with me now, which is an opinion survey on the taxi trade. The first part of it puts forth four proposals on fare concession, while the fifth part is on other views, that is, the proposal of making the act of not charging the fare according to the legal amount recorded on the taximeters an offence. Taxi drivers can express their views through this consultation. This item is included in the questionnaire though it is not a major part of it. This is our second time conducting this survey. We conducted a formal one in April 2005, in which we focused on consulting their views on prohibiting passengers from fare bargaining through legislation and on prohibiting taxi drivers from charging a fare lower than the amount recorded on the taximeters. The result showed less than half of the interviewees supported the legislative proposal. We thus need to continue exploring the issue with them so as to find out the format which can secure the majority support.