

**立法會**  
**Legislative Council**

LC Paper No. CB(1)69/08-09

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**Subcommittee on Road Traffic (Public Service Vehicles)**  
**(Amendment) Regulation 2008**

**Background brief**

**Purpose**

This paper sets out the background to the adjustment in the fares for the hiring of Lantau and urban taxis. It also summarizes the views expressed by the Panel on Transport when consulted on the fare adjustment applications.

**Background**

Mechanism and consideration for taxi fare adjustment

2. Taxis provide a personalized point-to-point public transport service. Taxi fare increase applications are considered in accordance with the following guiding principles -

- (a) the need to ensure the financial viability of taxi operations, taking into consideration changes in revenue and operating costs;
- (b) the need to maintain an acceptable level of taxi service in terms of taxi availability, passenger waiting time and feedback from passengers;
- (c) the need to maintain a reasonable differential between taxi fares and those of other public transport modes;
- (d) the likely public acceptability of the proposed fares; and
- (e) taxi fare structure should be "front-loaded" and thereafter on a varying descending scale for incremental charges<sup>Note 1</sup>.

3. The scale of fares for the hiring of taxis is specified in Schedule 5 to the

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<sup>Note 1</sup> This revised policy on taxi fare structure is recommended by the Transport Advisory Committee in its Report on the Review of Taxi Operation issued on 5 June 2008.

Road Traffic (Public Service Vehicles) Regulations (Cap. 374, sub. leg. D) and is determined by the Chief Executive-in-Council (CE-in-Council), subject to negative vetting by the Legislative Council (LegCo). Under the established practice, the Administration will consult the Panel on Transport and the Transport Advisory Committee (TAC) on a taxi fare increase application before submitting it to CE-in-Council for a decision.

#### Previous increases in taxi fares

4. Lantau taxi fares were last increased in March 1998, by an average rate of 9.1%. For urban taxis, prior to the \$1 increase in flagfall fare in February 2008, the fares were last increased in June 1998, by an average rate of 5.9%. At the time when the urban taxi trade submitted the \$1 flagfall fare increase application in 2007, the trade was deliberating among themselves on longer term fare restructuring proposals. Pending the outcome of its deliberation on these proposals, the trade put up the \$1 flagfall fare increase application as a temporary measure to partially address the impact of rising operating costs on the trade.

#### **Lantau and urban taxi fare increase applications**

5. At the meeting of the Executive Council on 23 September 2008, the fare adjustments for Lantau and urban taxis were approved. The applications from the taxi trades and the approved fare adjustments as set out in the LegCo Brief are as follows-

<b>Lantau Taxis</b>	<b>Fares</b>				
	<b>Existing</b>	<b>The Application</b>		<b>Approved Fare Adjustment</b>	
Flagfall charge for the first 2km or any part thereof	\$12	\$15		<b>\$13</b>	
Incremental charge for every subsequent 200m or part thereof and for every waiting period of 1 minute or part thereof	\$1.20	Before 20km (i.e. \$132 <sup>Note 2</sup> )	\$1.30	<b>Before \$130 (20km<sup>Note 3</sup>)</b>	<b>\$1.30</b>
		20 km (i.e. \$132) onwards	\$1.20	<b>\$130 onwards</b>	<b>\$1.20</b>
Average rate of fare increase	---	+9.17%		<b>+7.67%</b>	

Note 2 This is the total fare, according to the fare scale proposed in the application, for a journey of 20km if no charge for "waiting time" is incurred.

Note 3 The total fare for a journey of 20km will be \$130 under the approved fare adjustment, if no charge for "waiting time" is incurred.

Urban Taxis	Fares						
	Existing	Application A		Application B		Approved Fare Adjustment	
Flagfall charge for the first 2km or any part thereof	\$16	\$18		\$18		\$18	
Incremental charge for every subsequent 200m or part thereof and for every waiting period of 1 minute <sup>Note 4</sup> or part thereof	\$1.40	Before 8km	\$1.50	Before 11km	\$1.50	Up to \$70.50 (9km <sup>Note 5</sup> )	\$1.50
		8km onwards	\$1	11km onwards	\$1	\$70.50 onwards	\$1
Average rate of fare increase	---	+4.64%		+6.69%		+5.46% <sup>Note 6</sup>	

### Consultation with the Panel on Transport

6. The Panel on Transport was consulted on 30 June 2008 on the fare adjustment applications submitted by the Lantau and urban taxi trades. Members noted the Administration's assessment of the financial positions and operations of the Lantau and urban taxi trades. Panel members expressed concern about public acceptability of the proposed fare increase, given that a \$1 increase in flagfall fare had just been implemented for urban taxis in February 2008. Panel members were also concerned whether the fare increase could effectively curb problems in taxi operation in the longer term, given that the fuel price might continue to surge. Some members questioned whether the change in taxi fare structure could effectively curtail discount gang activities, especially in the absence of legislative prohibition against fare bargaining.

### The Road Traffic (Public Service Vehicles) (Amendment) Regulation 2008

7. To give effect to the approved fare adjustments for Lantau and urban taxis with effect from 30 November 2008, the Road Traffic (Public Service Vehicles) (Amendment) Regulation 2008 (the Amendment Regulation) was gazetted on 3 October 2008. The main provisions of the Amendment Regulation are set out in the LegCo Brief. The Amendment Regulation was tabled at the LegCo on 8 October 2008. At the meeting of the House Committee held on 10 October 2008, members

Note 4 Application B proposes to change "every 1 minute" to "every 50 seconds" for calculating incremental charge for waiting time.

Note 5 The total fare for a journey of 9km is \$70.5 if no "waiting time" charge is incurred.

Note 6 The rate of fare increase is 7.8% taking into account the \$1 increase in flagfall charge in February 2008.

agreed to form a subcommittee to study the Amendment Regulation.

**Relevant papers**

8. A list of relevant papers is in the **Appendix**.

Council Business Division 1  
Legislative Council Secretariat  
20 October 2008

**Subcommittee on Road Traffic (Public Service Vehicles)  
(Amendment) Regulation 2008**

Meeting date	Committee	Papers/Items
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30 June 2008	Transport Panel	Administration's paper on Lantau and urban taxi fare increase applications <a href="http://www.legco.gov.hk/yr07-08/english/panels/tp/papers/tp0630cb1-1977-3-e.pdf">http://www.legco.gov.hk/yr07-08/english/panels/tp/papers/tp0630cb1-1977-3-e.pdf</a>  Minutes of meeting <a href="http://www.legco.gov.hk/yr07-08/english/panels/tp/minutes/tp080630.pdf">http://www.legco.gov.hk/yr07-08/english/panels/tp/minutes/tp080630.pdf</a>