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**Panel on Transport**

**Minutes of meeting on 11 December 2008**

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**I New Territories Taxi Fare Adjustment Application**

*Legislation to ensure payment of taxi fares according to the meter*

28. Mr Ronny TONG and Mr WONG Kwok-hing considered that the Administration should introduce legislative amendments to ensure charging of taxi fares by the meter. They pointed out that the new fare structure would not be effective in combating discount gang activities as it could not prevent these gangs from further offering discounts to long-haul passengers. Instead, it would only lead to cut-throat competition within the trade.

29. In response, STH explained that in considering whether to introduce such legislative measures, it was necessary to consider the enforceability issue and fairness to both passengers and taxi drivers. There was also a need to consider whether criminal penalty should be imposed and the proportionality of such penalty to the offence. It was also necessary to consider whether the measures would be too disruptive or harsh, and whether they would compromise flexibility. The Administration was of the view that it would be more effective to tackle the problem of discount gangs by suitably adjusting the fare structure to bring it in line with market conditions.

30. Mr WONG Kwok-hing requested the Administration to consider the proposal from the Motor Transport Workers General Union on setting up a committee comprising representatives from the government, the taxi trade and unions concerned to review and draw up recommendations for resolving problems pertaining to taxi operation and fares. STH responded that the Administration would study overseas experience regarding the regulation of

charging by the meter. The Administration would also engage the taxi trade through TD's taxi conferences to understand more their views and concerns. The outcome would be reported to the Panel in six months' time.

31. Pointing out that all deputations attending the meeting supported banning taxi drivers from charging less than the meter reading by legislation, Mr WONG Kwok-hing urged the Administration to introduce the legislation as soon as practicable without waiting for six months. STH maintained that it was necessary to study overseas experience and ensure that any new measures to be introduced would be reasonable and fair to drivers as well as passengers. It would also be necessary to consider whether passengers or drivers should be penalized in the event of failure to pay metered fares. Mr Ronny TONG pointed out the current policy of imposing no regulation on drivers' failures to charge by the meter had been unfair to those drivers who adhered to charging according to the meter.

32. The Deputy Chairman opined that the Administration should introduce legislation to prohibit drivers from accepting requests for discount from passengers in parallel with implementation of the new fare structure, in order to effectively combat discount gang activities. He pointed out that these activities not only upset the operation of the taxi trade but also created cut-throat competition in the trade. He said that discount gang taxi drivers often took orders on the phone while driving and this also posed a great danger to passengers concerned. He considered that provided that the taxi fare level was set at a reasonable level, members of the public would not oppose a policy to require payment of taxi fares according to the meter.

33. STH reiterated that the Administration would have to carefully consider the enforceability and other issues concerning the proposed legislative measures. The Administration would first look at the effect of the fare adjustment for urban taxis in reducing discount gang activities in the next six months. The Administration believed that the new fare structure would help reduce room for operation of discount gangs and restore order in the market. In response to Mr LEUNG Yiu-chung's enquiry, STH said that the review would cover both the NT and urban taxis. Mr LEUNG Yiu-chung suggested that consultation with the trade should be conducted by launching the "one-taxi-three-votes" survey, i.e. collecting views from taxi owners, day-shift drivers and night-shift drivers of each taxi. STH pointed out that TD's taxi conferences were also broadly representative as they were participated by 16 taxi associations.

34. Ms Miriam LAU called for the early introduction of legislative measures to ensure payment of taxi fares according to the meter. She said that the crux of the problem was that drivers were not restricted under the law from charging less than the meter reading. To plug the loophole, the Administration should make reference to overseas experience in enforcing

relevant legislation and she believed that such legislation did not have to compromise flexibility for drivers and passengers to agree on a fare less than meter reading in special circumstances, e.g. in the case of a wrong routing. She urged the Administration to commence consultation with the taxi trade on the introduction of the legislative measures. Mr LEUNG Kwok-hung also urged the Administration to consider introducing legislation against fare bargaining as soon as possible. He added that introducing payment of taxi fares by the Octopus Card could address the concern that sometimes passengers/drivers had no small change and might pay/charge an amount less than the meter reading.

35. STH reiterated that the Administration was studying the overseas experience in enforcing relevant legislation and would come up with recommendations on the way forward in the next six months.

36. At Mr Ronny TONG's invitation to comment on the introduction of legislation to ban drivers from charging less than the meter reading, Mr LAM Kwai-keung said that as the large majority of Hong Kong people were law-abiding, if the proposed legislative measures were in place, there should be no problem in enforcement and taxi drivers would also benefit from such measures.

37. The Deputy Chairman and Mr LEUNG Yiu-chung opined that since the introduction of legislative measures to ensure charging by the meter had proved feasible in many major cities overseas, the Administration should pursue this option in parallel with implementation of the proposed fare adjustment for NT taxis.

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