

立法會
Legislative Council

LC Paper No. CB(1)2069/02-03

Ref: CB1/SS/8/02

**Paper for the House Committee meeting
on 27 June 2003**

**Report of the Subcommittee on
Road Traffic (Temporary Reduction of New Territories Taxi Fares)
Regulation 2003 and
Road Traffic (Temporary Reduction of New Territories Taxi Fares) (No.2)
Regulation 2003**

Purpose

11.1.1. This paper 11.1.reports on the deliberations of the Subcommittee on Road Traffic (Temporary Reduction of New Territories Taxi Fares) Regulation 2003 (L.N. 146 of 2003) and Road Traffic (Temporary Reduction of New Territories Taxi Fares) (No.2) Regulation 2003 (L.N. 147 of 2003).

Background

2. With a view to improving the competitiveness of New Territories (NT) taxi services, the NT taxi trade, as represented by 10 NT taxi associations which are registered members of the Conference on New Territories Taxi Operations of Transport Department, had submitted an application for offering temporary fare concession for a period of six months. The temporary fare concession is a trial scheme which aims at offering incentive to passengers to encourage them to make more frequent use of NT taxi services, in particular, long haul taxi trips. This, in turn, could help improve the business for NT taxis.

3. On 29 May and 2 June 2003, the Panel on Transport discussed the application made by the 10 NT taxi associations for temporary taxi fare concession for a period of six months. Some members requested the Administration to conduct a survey to gauge the views of all NT taxi drivers before implementation. The Panel noted the Administration's view that since the proposed temporary fare concession was supported by the majority of the trade and was beneficial to the general public, the temporary fare concession should be implemented as soon as possible. Whilst most members agreed that the Administration could proceed with the fare concession, they requested the Administration to consider arrangements to promote the fare concession scheme and monitor the impact of the concession on the trade closely.

4. At the meeting of the Executive Council on 3 June 2003, the Chief Executive in Council approved the application made by the NT taxi trade to offer fare concession for six months.

5. Upon gazettal of the subsidiary legislation on 6 June 2003 to effect the NT taxi fare concession, some NT taxi drivers who objected to the fare concession staged a slow drive protest action. They considered that the fare concession would adversely affect the income of the frontline drivers. They requested that frontline drivers should first be consulted and that the fare concession should be shelved or deferred.

6. The Administration met with representatives of the concerned NT taxi drivers on both 6 and 7 June 2003. The Administration advised them that the fare concession was supported by the majority of the trade with a view to boosting their business and was in the public interest.

7. After further discussion with the representatives and the 10 NT taxi associations which applied for the temporary fare concession, the Administration secured their agreement to implement the temporary fare concession on 8 June 2003 as scheduled, and Transport Department would then proceed immediately with a survey to gauge the NT taxi operators' views on whether the fare concession should continue. It was also agreed that the survey should be completed and analyzed in time for a decision to be taken on the way forward within one month from the commencement of the concession.

The Amendment Regulations

8. The Road Traffic (Temporary Reduction of New Territories Taxi Fares) Regulation 2003 aims at reducing the scale of fares for the hiring of NT taxis within the period from 8 June 2003 to 7 December 2003 (both dates inclusive). Section 3 stipulates that, after the fare chargeable for a journey has reached \$20.90 (i.e. flagfall plus first 7 incremental charges), any further fare chargeable for that journey for either every 200 metres or part thereof or every waiting time of one minute or part thereof shall be reduced from \$1.20 to \$0.90.

9. The Road Traffic (Temporary Reduction of New Territories Taxi Fares) (No.2) Regulation 2003 relates to the Amendment Regulation mentioned in paragraph 8 and seeks to require the drivers of such taxis to do the following within the period from 8 June 2003 to 7 December 2003 (both dates inclusive):

- (a) to display tables that convert taximeter readings to the appropriate fares; and
- (b) to manually mark on fare receipts the appropriate fares.

10. The two Amendment Regulations have taken effect on the date of their publication in the Gazette, i.e. 6 June 2003.

The Subcommittee

11. The House Committee agreed at its meeting on 13 June 2003 to form a Subcommittee to study the Amendment Regulations. Chaired by Hon Miriam LAU Kin-ye, the Subcommittee held a meeting on 19 June 2003 to discuss the Amendment Regulations with the Administration. The membership list of the Subcommittee is in **Appendix I**.

Deliberations of the Subcommittee

12. As the Administration would decide on the way forward on the NT taxi temporary fare concession on the basis of the majority view reflected by the NT taxi trade survey results, the Subcommittee has focused its work on the methodology in conducting the taxi trade survey and the assessment criteria.

Questionnaire survey

13. The Subcommittee notes that according to the agreement reached between the Administration and the NT taxi trade on 7 June 2003, the questionnaire survey to gauge the NT taxi operators' view on whether the fare concession should continue would be divided into two parts, one for registered owners of NT taxis and the other for in-service taxi drivers including owner-drivers. For the purpose of assessment, the two parts of the survey would carry equal weighting. If the majority view of all respondents is to discontinue the implementation of the fare concession, it would be withdrawn accordingly. In case of a tie, the fare concession would also be withdrawn.

14. The Subcommittee notes that the design of the questionnaires had been agreed by the NT taxi trade. The questionnaires would be sent to all registered owners of NT taxis by post on 19 June 2003 and they would be requested to return the completed questionnaires to the Transport Department by 25 June 2003. As for in-service taxi drivers, they could express their views by completing the questionnaires at the designated liquefied petroleum gas refilling stations from 11:00 am on 23 June 2003 to 11:00 am on 24 June 2003.

Taximeter reading survey and passenger survey

15. The Subcommittee notes with concern that apart from the questionnaire survey as agreed between the Administration and the NT taxi trade, the Administration is concurrently conducting two other surveys to facilitate its consideration on whether the temporary fare concession should continue. These two surveys are the taximeter

reading survey to collect NT taxi operating statistics including the revenue received by NT taxi drivers after implementation of the fare concession, and the passenger survey to gauge passengers' views on the fare concession. The Subcommittee is worried that these surveys would complicate the matter, particularly the determination of weighting of individual survey, and create unnecessary disputes among the parties concerned.

16. The Subcommittee holds a strong view that there is a need to honour the rules of the game as agreed between the Administration and the NT taxi trade on 7 June 2003. The Administration should strictly adhere to the agreement, and complete and analyze the questionnaire survey in a fair and open manner to gauge the NT taxi operators' view in time for a decision to be taken on the way forward within one month from the commencement of the concession.

17. The Administration takes note of the Subcommittee's view and explains that in order to facilitate the Administration to consider the way forward, particularly in case the proportion of supporting views and objecting views are close to each other, it might be helpful to gather some additional data to facilitate the Administration to discuss further with the NT taxi trade on whether the fare concession should continue.

Enforcement actions against illegal practices

18. The Subcommittee notes that Transport Department would continue to liaise with the Police and the Office of the Telecommunications Authority to step up enforcement actions against illegal practices in order to protect the interest of the trade as a whole. Regarding the enforcement actions against illegal taxi touting activities including the offer of discount by taxi drivers and the question of whether legislative amendments should be introduced to address the anomaly where the bargaining of taxi fare by passengers is allowed, the Subcommittee considers it more appropriate for the Transport Panel to follow up on the related issues.

19. The Subcommittee notes the views expressed by some members about the way the Administration handled the incident. A member is of the view that a survey to gauge the NT taxi operators' view on the implementation of the fare concession should have been conducted at the first instance, thereby avoiding the protest action by taxi drivers. Another member holds the view that if the Administration considers it worthwhile to proceed with a trial scheme of fare concession for a temporary period of six months to boost the business of the NT taxi trade, it should implement the scheme accordingly. The Administration could monitor the impact of the scheme on the trade and take necessary action as appropriate.

Legislative timetable

20. The Subcommittee notes that the deadline for giving notice to amend the two Amendment Regulations is 2 July 2003. The Subcommittee has explored whether the Administration could complete the surveys earlier so that members could conclude

their deliberations within the legislative timetable. The Administration however advises that it takes time for them to conduct the surveys and analyze the related findings. The Administration would brief members on the findings of the surveys and the way forward at a meeting scheduled for 7 July 2003.

21. The Subcommittee has also explored whether it is desirable to give early notice to repeal the two Amendment Regulations at the Council meeting on 9 July 2003 in order to comply with the notice requirement. After deliberation, the Subcommittee considers it not appropriate to do so as it might send a misleading signal to the general public that the Subcommittee is not supportive of the Amendment Regulations irrespective of the result of the questionnaire survey.

Recommendation

22. As the Subcommittee has yet to examine, among other things, the findings of the questionnaire survey at the forthcoming meeting to be held on 7 July 2003, the Subcommittee recommends that the President be requested to consider giving leave to dispense with the required notice in case members wish to move a motion at the Council meeting on 9 July 2003 to repeal the two Amendment Regulations after the Subcommittee meeting on 7 July 2003.

Advice sought

23. Members are invited to take note of the report and support the recommendation of the Subcommittee as set out in paragraph 22.

Council Business Division 1
Legislative Council Secretariat
25 June 2003

**Subcommittee on
Road Traffic (Temporary Reduction of New Territories Taxi Fares)
Regulation 2003 and
Road Traffic (Temporary Reduction of New Territories Taxi Fares) (No. 2)
Regulation 2003**

Membership list

Chairman Hon Miriam LAU Kin-ye, JP

Members Dr Hon David CHU Yu-lin, JP
Hon LEUNG Yiu-chung
Hon Andrew WONG Wang-fat, JP
Hon LAU Kong-wah
Hon Andrew CHENG Kar-foo
Hon Abraham SHEK Lai-him, JP
Hon LI Fung-ying, JP
Hon LEUNG Fu-wah, MH, JP

(Total: 9 members)

Clerk Mr Andy LAU

Legal Adviser Mr Stephen LAM

Date 19 June 2003