

立法會 *Legislative Council*

LC Paper No. CB(1)2275/02-03
(These minutes have been seen
by the Administration)

Ref : CB1/PL/TP/1

Panel on Transport

**Minutes of special meeting held on
Monday, 2 June 2003, at 10:45 am
in Conference Room A of the Legislative Council Building**

Members present : Hon Miriam LAU Kin-yee, JP (Chairman)
Hon Abraham SHEK Lai-him, JP (Deputy Chairman)
Dr Hon David CHU Yu-lin, JP
Ir Dr Hon Raymond HO Chung-tai, JP
Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP
Hon CHAN Kwok-keung
Hon Andrew WONG Wang-fat, JP
Hon LAU Chin-shek, JP
Hon LAU Kong-wah
Hon Tommy CHEUNG Yu-yan, JP
Hon Albert CHAN Wai-yip
Hon LEUNG Fu-wah, MH, JP
Hon WONG Sing-chi
Hon LAU Ping-cheung

Non-Panel Member attending : Hon Michael MAK Kwok-fung

Members absent : Hon Albert HO Chun-yan
Hon Andrew CHENG Kar-foo
Hon TAM Yiu-chung, GBS, JP
Dr Hon TANG Siu-tong, JP

- Public Officers attending** : Environment, Transport and Works Bureau
- Dr Sarah LIAO
Secretary for the Environment, Transport and Works
- Mr Arthur HO
Deputy Secretary for the Environment, Transport and Works
- Transport Department
- Mr Stephen IP
Assistant Commissioner for Transport/Management & Paratransit
- Clerk in attendance** : Mr Andy LAU
Chief Assistant Secretary (1)2
- Staff in attendance** : Ms Alice AU
Senior Assistant Secretary (1)5
- Miss Winnie CHENG
Legislative Assistant 5

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- I New Territories Taxi Fare Concession Application**
(LC Paper No. CB(1)1850/02-03(01) - Information paper provided by the Administration; and
LC Paper No. CB(1)1852/02-03(01) - An open letter from the Secretary for the Environment, Transport and Works dated 30 May 2003 on "New Territories Taxi Fare Concession")

The Chairman recapped that when the proposed temporary New Territories (NT) taxi fare concession was last discussed by the Panel on 29 May 2003, the Administration was requested to consider members' view on the possible need to conduct a survey to solicit the views of NT taxi owners and drivers on the proposed temporary fare concession. Subsequently, the 10 NT taxi associations (the 10 NT Taxi Associations) which were the registered members of the Conference on New Territories Taxi Operations (the NT Taxi Conference) of Transport Department (TD) indicated that if such a survey was to be conducted, they would withdraw the concession application. In view of the urgency of the matter, she had agreed to the Administration's proposal that a special Panel meeting be convened to receive a briefing by the Secretary for the Environment, Transport and Works (SETW). In this connection, she drew members' attention to an open letter from SETW dated 30 May 2003 on the matter (LC Paper No.

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CB(1)1852/02-03(01)), and a further submission dated 2 June 2003 from the New Territories Taxi Operation Concern Group tabled at the meeting.

(Post-meeting note: The submission from the New Territories Taxi Operation Concern Group was subsequently issued to members vide LC Paper No. CB(1)1860/02-03(01).)

Questionnaire survey

2. SETW briefed members on the salient points of the Administration's paper (LC Paper No. CB(1)1850/02-03(01)) which set out the latest developments on the application made by the NT taxi trade to offer fare concession for six months. In particular, she stressed that much effort had been made by the Administration to help the taxi operators tide over the difficult times. With a view to improving the competitiveness of NT taxi services, the 10 NT Taxi Associations had initiated the temporary fare concession as they believed that such a move could induce additional business and bring about positive effects to both owners and drivers. The 10 NT Taxi Associations had indicated that they would withdraw their application if a survey was conducted. This would effectively abort a fare concession supported by the majority of the trade.

(Post-meeting note: The Chinese version of the Administration's paper was tabled at the meeting and subsequently issued to members vide LC Paper No. CB(1)1860/02-03.)

3. SETW further said that while the Administration could understand the concerns of those who opposed to the proposed fare concession, it was important for the Administration to respect the majority view of the trade as reflected by the NT Taxi Conference. Having carefully considered the matter, the Administration was of the view that it was not appropriate to conduct a survey for the NT taxi trade. Instead, the Administration intended to seek approval from the Chief Executive-in-Council to implement the proposed temporary fare concession as soon as possible and effect the fare concession immediately after gazettal without waiting for the completion of the negative vetting period. She called on members' understanding on the urgency of the issue and could support the proposed arrangement.

4. Notwithstanding the divergent views within the NT taxi trade, Mr LAU Chin-shek stated support for the early implementation of the proposed temporary NT taxi fare concession as it would be beneficial to both the travelling public and the NT taxi operators. To address the concern of those who opposed to the proposed fare concession, the Administration should carefully monitor its impacts on the trade and step up measures to promote the fare concession.

5. Mr Tommy CHEUNG said that as the decision to offer temporary NT taxi fare concession for six months was agreed by the 10 NT Taxi Associations after careful consideration, he supported the Administration's proposal in taking forward the temporary taxi fare concession. In view of the potential benefits to the passengers and

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the NT taxi trade, Mrs Selina CHOW stated support for the Administration's proposal to proceed with the temporary fare concession without conducting a survey to gauge the views of all NT taxi operators.

6. The Chairman also said that it was worthwhile to proceed with the trial scheme for a full six-month period so as to ascertain its real impact on the business of the NT taxi trade. Expressing similar views, Mr Andrew WONG said that the proposed fare concession did present an opportunity for the NT taxi operators to increase their revenue. On the other hand, he also cast serious doubts about the methodology of the taxi trade survey and its assessment criteria if the survey was to be conducted.

7. Mr Michael MAK opined that the proposed temporary fare concession which was beneficial to the general public, should be implemented as soon as possible. He also suggested that the Administration might consider soliciting the views of passengers on the matter and conducting an interim review to ascertain the effectiveness of the proposed fare concession. Mr LAU Ping-cheung stated support for soliciting the views of the consumers on the proposed fare concession.

8. Mr Albert CHAN stated support in principle for the NT taxi trade to offer temporary taxi fare concession to attract patronage for long haul trips. This, in turn, could help improve the business for NT taxis. He considered that the success of the trial scheme would depend on the concerted effort of all parties concerned. If the proposed fare concession failed to achieve the desired results, the NT taxi trade could request the Administration to call off the arrangement at any time so as to safeguard the interest of the operators. To mitigate the negative impact, NT taxi owners could also consider whether they were willing to reduce taxi rentals.

9. Mr LEUNG Fu-wah however reiterated his view that as frontline NT taxi drivers would be directly affected by the proposed fare concession, the Administration should not proceed with the matter without directly soliciting the views of frontline drivers through a questionnaire survey. Citing the results of a preliminary survey he had conducted at one NT liquefied petroleum gas refilling station, he said that 63% of the respondents did not support the proposed fare concession. Given such dissenting view, Mr LEUNG queried whether the views of frontline drivers were adequately represented by the 10 Taxi Associations. He was also gravely disappointed that the Administration, due to the pressure from the 10 NT Taxi Associations, decided not to conduct a survey to solicit the views of all NT taxi operators.

10. Sharing Mr LEUNG Fu-wah's views, Mr LAU Kong-wah expressed dissatisfaction that by refusing to conduct a survey, the Administration had no way to properly consider the concerns raised by frontline drivers on their livelihood. As such, he considered that the 10 NT Taxi Associations should give an undertaking to reduce taxi rental if the net income of frontline drivers was adversely impacted by the proposed fare concession.

11. In response, SETW said that that according to TD's record, members of the 10 NT Taxi Associations consisted of about 4 800 operators, representing about 80% of the

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NT taxi trade. They included all three types of operators in the trade, namely drivers (about 2 500), owners (about 1 100) and owner-drivers (about 1 200) which together represented about 80% of the NT taxi trade. She stressed that while the Administration did not have any set view as to whether a survey should be conducted, the established communication and consultation framework must be respected. Moreover, such a survey would not be meaningful if it was not supported by the majority of the trade.

12. As far as monitoring arrangements were concerned, the Assistant Commissioner for Transport/Management and Paratransit (AC for T/M&P) said that taximeter reading survey would be conducted to assess the revenue received by NT taxi drivers after implementation of the fare concession. Moreover, TD would maintain close contact with the NT taxi trade to keep in view changes in NT taxi rentals. SETW also assured members that the Administration would not wait until the end of the six-month period to review the trial scheme. If any problem was identified, the Administration would consult the NT taxi trade accordingly to see if the fare concession should be terminated immediately.

13. Regarding possible financial assistance to frontline drivers, AC for T/M&P said that the level of NT taxi rental was largely a commercial decision affected by market forces. In fact, NT taxi rental had been adjusted downwards substantially since the outbreak of Severe Acute Respiratory Syndrome in Hong Kong. He also confirmed that when the proposed temporary fare concession was discussed in the NT Taxi Conference, one Taxi Association representing both owners and drivers had indicated that its members might consider lowering taxi rental in case the net income of frontline drivers was adversely impacted.

Enforcement actions against illegal practices

14. Mr WONG Sing-chi pointed out that the business of *bona fide* NT taxi drivers had been adversely affected by the illegal practices of some taxi drivers who offered fare discounts to passengers through illegal use of radio transceivers. If the proposed fare concession was to proceed, the Administration should step up enforcement actions in order to protect the interest of the trade as a whole. His views were shared by Mr Albert CHAN.

15. In response, AC for T/M&P advised that it was an offence under the Road Traffic (Public Service Vehicles) Regulations (Cap. 374 sub. leg. D) for taxi drivers to offer fare discount to passengers. However, the bargaining of taxi fare by passengers was allowed. In proposing the temporary fare concession, the 10 NT Taxi Associations hoped that such illegal practices could be curbed by bringing down the level of NT taxi fare across-the-board.

16. SETW also assured members that TD would continue to work closely with the Police so that more stringent enforcement actions would be taken against illegal touting activities of taxi drivers, especially those who operated through taxi radio stations.

Promotional measures

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17. Mr WONG Sing-chi highlighted the importance for the Administration to put in place adequate measures to promote the fare concession. SETW responded that TD would develop a series of promotional measures so that both local people and overseas tourists were made aware of the temporary NT taxi fare concession.

Motion

18. Notwithstanding the Administration's explanation, Mr LEUNG Fu-wah remained unconvinced by the Administration's decision not to conduct a survey to solicit the views of all NT taxi operators before putting the proposed fare concession into implementation. He reiterated that before a final decision was made, frontline NT taxi drivers should be directly consulted on the matter through a questionnaire survey. He thus proposed the following motion for the Panel's consideration:

"本事務委員會反對政府在未有直接進行新界的士司機意向調查前，作出減價的決定。"

19. Members agreed to proceed with the motion.

20. The Chairman put the motion to vote. Three members voted for and nine members voted against the motion. The Chairman declared that the motion was not carried.

21. Summing up the discussion, the Chairman said that most members agreed that the Administration could proceed with the fare concession. To address some members' concern about the arrangements to promote the fare concession and to monitor its impact on the trade, she requested the Administration to provide further information on these aspects for members' consideration. The Administration was also requested to provide an interim report to the Panel for consideration before the end of the six-month trial period.

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(Post-meeting note: A supplementary information paper provided by the Administration was subsequently issued to members vide LC Paper No. CB(1)1953/02-03(01).)

22. Referring to the Administration's intention to effect the temporary reduction immediately after gazettal without waiting for completion of the negative vetting period, Mr Albert CHAN cautioned that members' support was given as an exceptional case and this should not be taken as a precedent for the Administration to bypass the normal negative vetting procedure of the Legislative Council. Mrs Selina CHOW also said that such an unusual course of action would require consideration by the Panel, the House Committee as well as the Council. The Chairman invited the Administration to take note of members' view on this issue.

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II Any other business

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

Council Business Division 1
Legislative Council Secretariat
28 July 2003