

**立法會**  
***Legislative Council***

LC Paper No. CB(4)1218/18-19  
*(These minutes have been seen  
by the Administration)*

Ref : CB4/PL/TP/1

**Panel on Transport**

**Minutes of meeting held on  
Friday, 15 March 2019, at 10:45 am  
in Conference Room 1 of the Legislative Council Complex**

**Members present** : Hon CHAN Han-pan, BBS, JP (Chairman)  
Hon Jeremy TAM Man-ho (Deputy Chairman)  
Hon Tommy CHEUNG Yu-yan, GBS, JP  
Hon CHAN Hak-kan, BBS, JP  
Hon WONG Kwok-kin, SBS, JP  
Hon Mrs Regina IP LAU Suk-yee, GBS, JP  
Hon Claudia MO  
Hon Frankie YICK Chi-ming, SBS, JP  
Hon YIU Si-wing, BBS  
Hon Charles Peter MOK, JP  
Hon CHAN Chi-chuen  
Hon LEUNG Che-cheung, SBS, MH, JP  
Dr Hon KWOK Ka-ki  
Dr Hon Helena WONG Pik-wan  
Hon POON Siu-ping, BBS, MH  
Dr Hon CHIANG Lai-wan, SBS, JP  
Ir Dr Hon LO Wai-kwok, SBS, MH, JP  
Hon CHUNG Kwok-pan  
Hon Alvin YEUNG  
Hon Andrew WAN Siu-kin  
Hon CHU Hoi-dick  
Dr Hon Junius HO Kwan-yiu, JP  
Hon HO Kai-ming  
Hon LAM Cheuk-ting

Hon SHIU Ka-fai  
Hon Wilson OR Chong-shing, MH  
Hon Tanya CHAN  
Hon LUK Chung-hung, JP  
Hon LAU Kwok-fan, MH  
Hon Kenneth LAU Ip-keung, BBS, MH, JP  
Dr Hon CHENG Chung-tai  
Hon Gary FAN Kwok-wai  
Hon AU Nok-hin  
Hon Tony TSE Wai-chuen, BBS

**Members attending :** Hon WU Chi-wai, MH  
Hon Holden CHOW Ho-ding

**Members absent :** Dr Hon Priscilla LEUNG Mei-fun, SBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon Michael TIEN Puk-sun, BBS, JP

**Public officers attending :** **Agenda item III**

Dr Raymond SO, BBS, JP  
Under Secretary for Transport and Housing

Ms Ivy LAW, JP  
Deputy Secretary for Transport and Housing (Transport) 3

Mr Reginald CHAN  
Assistant Commissioner for Transport /  
Administration and Licensing

Mr Haiko YU  
Chief Transport Officer / Public Vehicles  
and Prosecutions

Mr Patrick NG  
Chief Transport Officer / Planning/Taxi 1

**Agenda item IV**

Ms Shirley KWAN  
Principal Assistant Secretary for Transport and  
Housing(Transport)2

Ms Candy KWOK  
Assistant Commissioner for Transport /  
Management and Paratransit

Mr Daniel HUE  
Chief Transport Officer / Tunnel & Tsing Ma 2  
Transport Department

Mr Arthur LEE  
Acting Chief Engineer / Boundary Crossing Facilities  
and Transport Services  
Electrical and Mechanical Services Department

Mr Edmond CHEONG  
Senior Engineer/Transport Services 6  
Electrical and Mechanical Services Department

**Agenda item V**

Mr Kevin CHOI, JP  
Deputy Secretary for Transport and Housing (Transport) 2

Miss Crystal YIP  
Principal Assistant Secretary for Transport and  
Housing (Transport) 1

Ms Tammy CHAN  
Chief Treasury Accountant (Transport)  
Transport and Housing Bureau

Mr Patrick WONG  
Assistant Commissioner/Bus and Railway  
Transport Department

Mr Felix YIM  
Principal Transport Officer/Bus and Railway 3  
Transport Department

**Agenda item VI**

Ms Mable CHAN, JP  
Commissioner for Transport

Mr Kevin CHOI, JP  
Deputy Secretary for Transport and Housing (Transport) 2

Miss Crystal YIP  
Principal Assistant Secretary for Transport and  
Housing (Transport) 1

Ms Candy KWOK  
Assistant Commissioner for Transport /  
Management and Paratransit

Mr Patrick NG  
Chief Transport Officer/Planning/Taxi 1  
Transport Department

**Attendance by invitation : Agenda item V**

New Lantao Bus Co. (1973) Limited

Mr James WONG  
Managing Director

Mr Benny CHAN  
Deputy General Manager

Ms Yvonne TSANG  
Finance Manager

**Clerk in attendance :** Ms Sophie LAU  
Chief Council Secretary (4)2

**Staff in attendance :** Ms Angela CHU  
Senior Council Secretary (4)2

Ms Jacqueline LAW  
Council Secretary (4)2

Miss Mandy LAM  
Legislative Assistant (4)2

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Action

**I. Information paper(s) issued since the last meeting**

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| LC Paper No. CB(4)524/18-19(01)                                  | - Administration's response to five motions passed under the agenda item on "Report of Independent Review Committee on Hong Kong's Franchised Bus Service"                                  |
| LC Paper No. CB(4)554/18-19(01)<br><i>(Chinese version only)</i> | - Letter from Dr Hon CHENG Chung-tai requesting to hold a special meeting on issues relating to snapped cable on cross-border Shenzhen Bay Bridge   |
| LC Paper No. CB(4)554/18-19(02)<br><i>(Chinese version only)</i> | - Joint letter from Hon Jeremy TAM Man-ho, Dr Hon KWOK Ka-ki, Hon Tanya CHAN and Hon Alvin YEUNG requesting to discuss issues relating to snapped cable on cross-border Shenzhen Bay Bridge |
| LC Paper No. CB(4)606/18-19(01)<br><i>(Chinese version only)</i> | - Letter from Hon Jeremy TAM Man-ho on the issuance of private driving instructors' licences  |

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| LC Paper No. CB(4)622/18-19(01)<br>( <i>Chinese version only</i> ) | - Letter from Hon Jeremy TAM Man-ho on Driving Schools Designated by the Transport Department  |
| LC Paper No. CB(4)623/18-19(01)<br>( <i>Chinese version only</i> ) | - Letter from Hon Michael TIEN requesting to hold a special meeting on issues relating to the traffic accident on West Kowloon Highway on 4 March 2019                           |
| LC Paper No. CB(4)623/18-19(02)<br>( <i>Chinese version only</i> ) | - Letter from Hon Andrew WAN requesting to discuss the resilience of the operator of the Western Harbour Crossing Operator   |
| LC Paper No. CB(4)626/18-19(01)<br>( <i>Chinese version only</i> ) | - Joint letter from Hon Jeremy TAM Man-ho, Dr Hon KWOK Ka-ki, Hon Tanya CHAN and Hon Alvin YEUNG on the work shift allocation system of Kowloon Motor Bus Company (1933) Limited |
| LC Paper No. CB(4)641/18-19(01)                                    | - Administration's response to letter from Hon Tanya CHAN requesting to discuss the construction quality of and other related issues on Central – Wanchai Bypass                 |
| LC Paper No. CB(4)641/18-19(03)<br>( <i>Chinese version only</i> ) | - Letter from Hon Jeremy TAM Man-ho requesting to discuss the traffic accident of West Kowloon Highway on 4 March 2019 and the management of Western Harbour Crossing Operator   |

Members noted the above papers issued since the last meeting.

2. The Chairman reminded the Administration that it was necessary to submit discussion papers to the Legislative Council ("LegCo") Secretariat at least a few days before the meeting so that the Secretariat could have sufficient time to arrange the dispatch of and other logistical arrangements relating to the issuance of papers, and also to allow members sufficient time to study the papers prior to the meeting.

## **II. Items for discussion at the next meeting**

LC Paper No. CB(4)618/18-19(01)      - List of outstanding items for discussion

LC Paper No. CB(4)618/18-19(02)      - List of follow-up actions

3. Members agreed to discuss the following items at the next regular meeting to be held on 26 April 2019:

- (a) Road safety audit; and
- (b) MTR fare adjustment for 2019.

## **III. Review of penalty level for illegal carriage of passengers for hire or reward**

LC Paper No. CB(4)519/18-19(03)      - Administration's paper on Review of Penalty Level for Illegal Carriage of Passengers for Hire or Reward

LC Paper No. CB(4)529/18-19(04)  
(Chinese version only)      - Submission from a member of the public on reviewing the penalty level for illegal carriage of passengers for hire or reward

LC Paper No. CB(4)532/18-19(01)  
(Chinese version only)      - Letter from Hon Charles Peter MOK on reviewing the

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|   | penalty level for illegal carriage of passengers for hire or reward  |
| LC Paper No. CB(4)532/18-19(02)<br>(Chinese version only) | - Submission from Hong Kong Vehicle and Transport Concern Group on reviewing the penalty level for illegal carriage of passengers for hire or reward |
| LC Paper No. CB(4)540/18-19(01)<br>(Chinese version only) | - Submission from the Hong Kong Taxi Council on reviewing the penalty level for illegal carriage of passengers for hire or reward                    |
| LC Paper No. CB(4)561/18-19(01)<br>(Chinese version only) | Wording of a motion to be moved by Hon Charles Peter MOK   |
| LC Paper No. CB(4)635/18-19(01)<br>(Chinese version only) | Submission from 陸路交通運輸業大聯盟 on reviewing the penalty level for illegal carriage of passengers for hire or reward                                      |

#### Action

##### Briefing by the Administration

4. At the invitation of the Chairman, Under Secretary for Transport and Housing ("USTH") briefed members on the Administration's proposal of increasing the related penalties for illegal carriage of passengers for hire or reward as stipulated under the Road Traffic Ordinance (Cap. 374) ("RTO"), with the intent to increase the deterrent effect against the illicit acts. The proposed revisions on the penalty levels were set out in the Administration's paper. USTH said that the Transport Department ("TD") had consulted some members of the trade including the school private light bus and the goods vehicle trade, as well as the Transport Advisory Committee, and would like to listen to members' views on the proposal at the present meeting.



## Discussion

### *Provision of hire car service through online hailing platforms and the service quality of taxis*

5. Mr Alvin YEUNG, Ms Claudia MO, Mr Charles Peter MOK, Dr CHENG Chung-tai, Mr AU Nok-hin, Ms Tanya CHAN and Mr CHAN Chi-chuen expressed strong opposition to the Administration's intent to combat the provision of personalized and point-to-point hire car service through the use of online hailing platforms, and the present proposal of increasing the penalty level for such service. They argued that the increasing popularity of the online hailing hire car service demonstrated that passengers had huge demand for alternative means of personalized and point-to-point transport service apart from taxis, and that the Administration should facilitate the development of point-to-point hire car service by loosening the existing licensing regime of hire car service and the issuance of more hire car permits ("HCP") to allow more market entrants. These members were disappointed that the Administration was turning a blind eye to the long calls of the society for more passenger choices, better service through introducing competition to the closed-market taxi trade, and the application of technology to enhance the provision of quality service.

6. USTH responded that the Administration encouraged the use of technology, such as online hailing platforms to enhance the provision of personalized and point-to-point public transport service, but stressed that the provision of such service should comply with the law. Under Section 52 of the RTO, it was illegal for a person to drive or use a motor vehicle, or suffer or permit a vehicle to be driven or used for the carriage of passengers for hire or reward unless the vehicle met various specified conditions, such as a HCP was in force in respect of the vehicle. It was also an offence for a person to solicit or attempt to solicit any person for hire or reward to travel in a private licenced vehicle or permit it to stand or ply for hire or reward. Any person who contravened the above would be liable to penalties as stipulated under RTO. USTH reminded that there would be risks involved in using vehicles engaged in the illegal carriage of passengers for hire or reward, such as the invalidation of third-party risks insurance. In this respect, the Administration's policy objective was to regulate the service of carriage of passengers for hire or reward, thereby enhancing the safety and protecting the interests of passengers and road users. It was therefore imperative to increase the deterrent effect against the related offences through introducing heavier penalty in combating such illicit acts.

7. Quoting examples of unsatisfactory taxi service quality such as refusal of hire, overcharging and poor service attitude of taxi drivers, Ms Tanya CHAN and Mr Charles Peter MOK said that the crux of the problem was the lack of competition in the taxi trade such that taxi drivers lacked the motivation to improve their service, and that there were no effective means to monitor taxi performance and handle passengers' complaints. In their views, personalized and point-to-point transport service sector was monopolized by the taxi trade. They opined that the Administration should increase the penalty level associated with taxi malpractices instead.

8. USTH replied that in principle, there was no contradiction in increasing the penalty level for illegal carriage of passengers for hire or reward vis-à-vis the malpractices of taxi drivers. In fact, the TD had pursued a series of initiatives to enhance the service quality of taxis, and the Administration planned to introduce legislative amendments to raise the penalty levels for various taxi drivers' malpractices and introduce a Taxi Driver-Offence Points System in 2019 with a view to strengthening the overall deterrent effect. USTH added that in order to meet the new demand in the community for personalized and point-to-point public transport service of higher quality with online hailing features, the Administration planned to introduce into the Legislative Council a bill on franchised taxi within 2018-2019 legislative year so as to offer an additional choice other than ordinary taxis to passengers.

9. Mr LAM Cheuk-ting said that albeit the convenience brought about by using online hailing service for hire cars, it was equally important to ensure safety for both drivers and passengers when using such service, in particular the validity of third-party risks insurance if involving accidents. He also called on the Administration to step up enforcement actions against malpractices of some of the taxi drivers so as to better safeguard passengers' interests and uphold the reputation of the whole taxi trade.

10. Pointing out that the Chief Executive had mentioned in the 2017 Policy Address that the Administration would encourage innovation and research, Mr Alvin YEUNG and Mr Charles Peter MOK opined that the present proposal of increasing the penalty level for hire car service through the use of technology and online hailing applications was a big blow to and a huge step backwards in respect of encouraging innovation and promoting sharing economy in the provision of personalized and point-to-point transport service.

11. Given the increasing popularity of online car hailing services, Mr POON Siu-ping enquired whether the Administration had reviewed the impact of online hailing to drivers and passengers in terms of legal protection, and whether advice had been sought from the Policy Innovation and Co-ordination Office ("PICO")

in this regard. Mr Tony TSE also enquired whether TD had studied reasons for the increasing popularity of online hailing platforms despite the possible risks involved to passengers using such service, such as the invalidity of third-party risks insurance.

12. USTH replied that TD had communicated with PICO on the application of technology and innovation on transport-related matters. He stressed that using online hailing platforms itself would not constitute an illicit act, and in fact some taxi associations were also offering online hailing taxi service. It was the use of vehicles for hire or reward which contravened the requirements stipulated under Section 52 of RTO through the use of online hailing platforms, such as vehicles used for hire or reward without a valid HCP, would commit an offence. USTH reiterated that in meeting the new demand for personalized and point-to-point public transport services of higher quality, the Administration would establish a new regulatory regime to introduce franchised taxis. The Administration could prescribe service levels and set service standards under the franchise terms to ensure the safety and service quality of franchised taxis in order to provide better protection to both passengers and drivers.

13. Dr Junius HO supported the Administration's initiatives to enhance the quality of existing ordinary taxis on one hand, and to introduce franchised taxi to meet the new demand for higher quality taxi service on the other. Dr HO said that the modus operandi of franchised taxi would be completely different under which vehicle types and facilities offered, taxi drivers' service attitude, monitoring and complaints handling mechanism in place and so on, would be clearly stipulated in the franchise terms to provide much greater guaranteed to passengers in terms of service quality and safety.

14. Mr LUK Chung-hung opined that the Administration should review the regulation and provision of personalized and point-to-point transport service holistically and speed up the introduction of franchised taxis so as to provide additional choices for passengers.

15. In response to Ms Claudia MO's enquiry on whether the Administration could relax the application procedure for HCPs so as to facilitate more market entrants in the provision of hire car service, USTH replied that TD had streamlined the application procedure for HCPs since February 2017. A pre-assessment on HCP applications would be conducted so that applicants could know in advance their chances of success, and the whole application process was streamlined to within two months' time on average in 2018.

16. Referring to the wording of the motion proposed by Mr Charles Peter MOK on the matter under discussion, which had been issued to members before

the meeting vide LC Paper No. CB(4)561/18-19(01), Mr Frankie YICK said that Hong Kong was a free market which welcomed new market entrants to bring in innovative and enhanced service, but in doing so, such service should comply with the law. He therefore did not subscribe to Mr MOK's suggestion of gradually opened the market of online hire car hailing service because hire cars without a HCP licence, as in most of the cases of vehicles involved in providing such service at present, was illegal in nature. In his view, the present online hailing service for private vehicles without HCPs constituted an unfair competition to the taxi trade in that any persons in possession of a private vehicle could provide hire car service directly to passengers through online hailing platforms without the need to be abided by the legal requirements of the taxi trade such as fee structure, vehicle requirements and so forth. It was also unfair to taxi owners who had invested a huge sum of money to procure a taxi licence for operation, and it had also directly affected the income of frontline taxi drivers.

17. Sharing similar views, Mr SHIU Ka-fai pointed out that the hinge of the discussion was that such service was illegal, therefore imposing heavier penalty to curb the illegal acts was the right approach. He said that illegal carriage of passengers for hire or reward also overturned the well-established operating environment and regime of the taxi trade. Mr SHIU added that the Liberal Party had conducted a survey with about 1 500 respondents on the issue, of which 65% respondents agreed that illegal carriage of passengers for hire or reward by private vehicles posed an unfair competition to the taxi trade; 80% of the respondents worried about passenger safety relating to using such service; and 64% of the respondents supported the Administration's proposal of heavier penalty to increase deterrent effect. He therefore called on the Administration to step up enforcement actions against these illegal activities.

*Penalty level for illegal carriage of passengers for hire or reward*

18. Mr YIU Si-wing supported increasing the penalty level for illegal carriage of passengers for hire or reward. He opined that the penalties handed down by the court for convicted cases involving illegally hired vehicles in the past few years might be too lenient to have any deterrent effect, and enquired whether raising the penalty level under RTO would be effective. Having noted that many light goods vehicle were soliciting passengers for hire in the airport, Mr YIU and Mr POON Siu-ping asked how the Police would enhance its enforcement actions against these offences. Dr Junius HO also sought clarification on whether the proposed revised penalties under RTO would result in the impoundment of the vehicles of the offenders.

19. USTH said that when deciding the appropriate sentence for each convicted case, the court would make judgment having regard to relevant facts and circumstances of each individual case. Raising the penalty levels under RTO could provide the court with a new reference point in considering appropriate punishments. In addition, setting more severe penalties and adding a specific provision on suspension of driving licence could send a clear message to the public on the Administration's commitment to combat such illicit acts. On enforcement, USTH said that the Police had been taking actions against the offence, including light goods vehicles soliciting passengers for hire at the airport through targeted operations such as collecting intelligence, conducting covert operations, investigating and following up on referral cases. TD would, through enforcement, publicity and education, remind the public of the illegality of such service and the lack of passenger protection when using such service. As regards the issue of impoundment of vehicles, Assistant Commissioner for Transport / Administration and Licensing replied that according to relevant provisions under RTO, once a vehicle had been ruled by court as being involved in illegal carriage of passengers for hire or reward, TD would arrange to suspend the vehicle licence and detain the vehicle for a period specified under RTO.

20. Quoting the fatal incident happened last year involving illegally hired vehicles, Mr LUK Chung-hung and Mr HO Kai-ming concurred that heavier penalty should be set to increase the deterrent effect so as to better protect passengers' safety. Both members, however, opined that the Administration should take enforcement actions against those online hailing platforms instead of frontline drivers. In this regard, the Chairman sought explanation from the Administration regarding paragraph 7(b) of the Administration's paper on whether the phrase "person" could refer to online hailing platforms when deciding to take prosecution actions if the services provided through these platforms involved the use of illegally hired cars.

21. In reply, USTH explained that under the context of Section 52 of RTO, any person involved in soliciting or attempt to solicit any person for hire or reward to travel in a private car, private light bus, private bus or goods vehicle committed an offence. It therefore referred to the illegal soliciting behavior.

22. Dr CHENG Chung-tai pointed out that accident rate associated with taxi service was high too. Quoting the example of those taxis with a number of mobile phones being placed on the dashboard of the vehicles with drivers soliciting passengers while driving, he said that passengers' safety would be at risk too if they hired those taxis. He therefore opined that it was the drivers' attitude, rather than the type of transport service, that posed safety threats to passengers. Referring to paragraph 13 of the Administration's paper stating that "a number of traffic accidents involving illegally hired vehicles have further

highlighted the lack of protection for passengers and road users", Mr CHAN Chi-chuen enquired whether "protection" mentioned herewith referred to the invalidity of third-party risks insurance. In response, USTH said that passenger protection did not solely mean the validity of third-party risks insurance, but also passenger safety when using these unregulated and illegal services.

### Motions

23. The Chairman said that there were two motions raised by members in relation to the agenda item under discussion, with one motion being further amended as proposed by a member. The Chairman decided that the motions were directly related to the agenda item, and members agreed to deal with them at the meeting.

24. The Chairman referred members to the following motion moved by Mr Charles Peter MOK as amended by Mr LAM Cheuk-ting-

鑑於全球越來越多地區對網約車服務採取循序漸進開放市場政策，平衡乘客安全保障、提升競爭和引入改善服務誘因，而運輸署研究的十個司法管轄區之中，八個地區(中國內地、新加坡、澳洲、倫敦、芝加哥、紐約、三藩市、德國)已把網約私家車服務合法化，本委員會促請政府正視市民的現實需要，於修例加強非法載客取酬的罰則之前，應先並就更新出租車服務牌照制度進行研究並全面諮詢公眾，立法規管網約私家車服務，以締造公平競爭環境，增加選擇和提升服務質素。

(Translation)

Given that more and more regions around the world have adopted the policy of progressively opening up the market of online car hailing service to strike a balance among protecting passenger safety, enhancing competition and providing incentives to improve taxi service, and that among the ten jurisdictions studied by the Transport Department, eight jurisdictions (Mainland China, Singapore, Australia, London, Chicago, New York, San Francisco and Germany) have legalized online private car hailing service, this Panel urges the Government to address the actual needs of the public, ~~and before introducing~~ **introduce** legislative amendments to increase the penalties for illegal carriage of passengers for reward, **and** conduct a study and comprehensive public consultation for updating the permit system for hire car service and enact legislation to regulate online private car hailing service in order to create a level playing field, offer more choices and enhance service quality.

Original motion moved by : Hon Charles Peter MOK  
Amendments moved by : Hon LAM Cheuk-ting

Note: Hon LAM Cheuk-ting's amendment is marked in bold and italic type or with deletion line.

25. The Chairman put to vote the motion originally proposed by Mr Charles Peter MOK as amended by Mr LAM Cheuk-ting to vote. Fifteen members voted against the motion, three members voted for the motion, and two members abstained from voting. The Chairman declared that the motion was negatived.

26. The Chairman then referred to the following motion proposed by Mr Charles Peter MOK –

鑑於全球越來越多地區對網約車服務採取循序漸進開放市場政策，平衡乘客安全保障、提升競爭和引入改善服務誘因，而運輸署研究的十個司法管轄區之中，八個地區(中國內地、新加坡、澳洲、倫敦、芝加哥、紐約、三藩市、德國)已把網約私家車服務合法化，本委員會促請政府正視市民的現實需要，於修例加強非法載客取酬的罰則之前，應先就更新出租車服務牌照制度進行研究並全面諮詢公眾，立法規管網約私家車服務，以締造公平競爭環境，增加選擇和提升服務質素。

(Translation)

Given that more and more regions around the world have adopted the policy of progressively opening up the market of online car hailing service to strike a balance among protecting passenger safety, enhancing competition and providing incentives to improve taxi service, and that among the ten jurisdictions studied by the Transport Department, eight jurisdictions (Mainland China, Singapore, Australia, London, Chicago, New York, San Francisco and Germany) have legalized online private car hailing service, this Panel urges the Government to address the actual needs of the public and, before introducing legislative amendments to increase the penalties for illegal carriage of passengers for reward, conduct a study and comprehensive public consultation for updating the permit system for hire car service and enact legislation to regulate online private car hailing service in order to create a level playing field, offer more choices and enhance service quality.

27. The Chairman put to vote the motion proposed by Mr Charles Peter MOK. Twelve members voted against the motion, ten members voted for the motion and no member abstained from voting. The Chairman declared that the motion was negatived.

28. The Chairman referred members to the following motion jointly proposed by Hon Frankie YICK Chi-ming, Hon YIU Si-wing, Dr Hon CHIANG Lai-wan, Hon LAU Kwok-fan and Hon LUK Chung-hung -

有鑑於利用汽車作非法出租或取酬載客（「白牌車」）的違法行為愈見猖獗，威脅乘客及道路使用者的應有保障權益，本會促請政府盡快落實擬建議提升非法載客取酬罪行的罰則水平，由於建議的是最高罰則水平，對於判刑過輕的個案，警方及律政司必須提出覆核刑罰，務求刑罰能反映罪行的嚴重性及具阻嚇力；與此同時，警方應繼續進行「放蛇」行動，對從事非法載客取酬的「白牌車」嚴厲執法。

(Translation)

Given that the use of motor vehicles for illegal carriage of passengers for hire or reward ("pak pai") has become increasingly rampant, posing a threat to the protection, rights and interests duly enjoyed by passengers and road users, this Panel urges the Government to expeditiously implement the proposal to increase the penalty level for the offence of illegal carriage of passengers for hire or reward, and as the proposal concerns the maximum penalty level, the Police and the Department of Justice must seek review of the overly lenient sentences so that the sentences should reflect the seriousness of the offence and achieve a deterrent effect; meanwhile, the Police should continue to conduct "sting operations" and take stringent law enforcement actions against "pak pai" engaged in illegal carriage of passengers for reward.

29. The Chairman put the above motion to vote. Thirteen members voted for the motion, ten members voted against the motion and no member abstained from voting. The Chairman declared that the motion was carried.

30. Voting results for the three motions proposed at the meeting are attached in **Appendices I to III** respectively.



(*Post-meeting note*: The wordings of the motion passed were issued to members vide LC Paper No. CB(4)657/18-19(01) on 18 March 2019. The Administration's response to the motion was issued vide LC Paper No. CB(4)743/18-19(01) on 9 April 2019.)

#### **IV. Replacement of traffic control and surveillance systems and other systems in government tunnels**

LC Paper No. CB(4)618/18-19(03) · Administration's paper on replacement of traffic control and surveillance systems and other equipment in government tunnels

LC Paper No. CB(4)618/18-19(04) · Paper on replacement of traffic control and surveillance systems in government tunnels prepared by the Legislative Council Secretariat (Updated background brief)

31. At the invitation of the Chairman, Principal Assistant Secretary for Transport and Housing (Transport)2 ("PAS(T)2") briefed members on the Administration's funding proposal to replace the traffic control and surveillance systems ("TCSSs") and other equipment in government tunnels. If the funding was approved by the Finance Committee ("FC") in the fourth quarter of 2019, it was expected that the replacement works would be completed in 2022-23 and 2023-24. PAS(T)2 added that all relevant installation works would be arranged to be carried out during non-peak hours such that the tunnel operation would not be affected.

#### **Replacement of traffic control and surveillance systems in the Aberdeen Tunnel and the Tate's Cairn Tunnel**

##### *Functions and coverage of the new systems*

32. Noting that the systems concerned were ageing which would increase the risk of system malfunction, Mr LAU Kwok-fan and Mr POON Siu-ping expressed in-principle support for the replacement works. However, Mr LAU and Mr Gary FAN questioned the effectiveness of the new TCSSs in traffic

monitoring and prevention of recurrence of traffic accidents similar to that happened on West Kowloon Highway on 4 March 2019. Pointing out that the truck involved in the said traffic accident was broken down within the area of the Western Harbour Crossing ("WHC"), but was left unnoticed for about an hour, Mr FAN, Mr LAU, Ms Tanya CHAN and the Deputy Chairman were deeply concerned about the coverage of the new traffic surveillance systems within and outside the tunnel tubes, in particular if there were any blind spots within the tunnel areas that were not covered by the closed circuit television ("CCTV") system.

33. Assistant Commissioner for Transport/Management and Paratransit ("AC for T/M&P") and Acting Chief Engineer/Boundary Crossing Facilities and Transport Services, Electrical and Mechanical Services Department ("CE/BTS(Atg)") responded that:

- (a) the new TCSS to be installed, consisting of CCTV system, automatic incident detection ("AID") system, etc., would be capable of facilitating the tunnel staff to detect traffic incidents happened within the tunnel area. The new AID system would use image processing techniques to detect vehicles which had stopped inside the tunnel tube due to traffic incidents and alert the control room correspondingly. It could also enhance the capability in identifying prevailing traffic situations (e.g. smoke detection inside the tunnel tube);
- (b) the Administration would discuss with the operators of the Aberdeen Tunnel ("ABT") and the Tate's Cairn Tunnel ("TCT") the location, number and direction of cameras to be erected under the new TCSSs having regard to road conditions to ensure that the entire tunnel area would be covered;
- (c) sufficient training would be provided to the tunnel staff in operating the new systems with a view to optimizing the effectiveness of the systems; and
- (d) apart from the use of TCSSs to ensure the safe and effective operation of the government tunnels, the tunnel operators would be required to deploy staff to patrol the entire tunnel area every 15 to 30 minutes so that any incidents occurred within the area could be identified in a timely manner.

34. In reply to Ms Tanya CHAN's enquiry, CE/BTS(Atg) advised that "the tunnel area" in paragraph 3 of Annex 1 to the Administration's paper (LC Paper

No. CB(4)618/18-19(03)) referred to the tunnel tubes and the area outside the tunnel tubes (including the toll booths) managed by the tunnel operator.

35. Mr HO Kai-ming was concerned that the new AID system could only detect vehicles which had stopped inside the tunnel tube due to traffic incidents as mentioned in the Administration's paper. CE/BTS(Atg) responded that in view of the traffic accident on West Kowloon Highway on 4 March 2019, additional AID cameras would be suitably erected outside the tunnel tubes to enhance traffic surveillance and ensure driving safety. The alarm would set off automatically in case vehicles stopped inside the tunnel tube due to traffic incidents when detected by the new AID system.

Admin 36. At the request of Mr Gary FAN, the Administration agreed to provide written response in respect of the enhanced functions of the new TCSS, its effectiveness and the coverage of the system in identifying traffic situations within and outside ABT as compared to the existing system. Mr Tony TSE also requested the Administration to supplement information on the enhanced features of the new TCSSs as compared to the existing systems when the funding proposal was submitted to FC for consideration.

37. Ms Tanya CHAN and the Deputy Chairman were concerned about the resolution of the cameras to be erected under the new systems. Mr HO Kai-ming also expressed similar concern.

38. CE/BTS(Atg) advised that high definition traffic surveillance cameras would be deployed under the new system and that the images of vehicles including facial images of drivers and passengers could be captured. Due to the privacy issues that might arise, the facial images captured would not be kept for a long period of time. In response to Mr HO Kai-ming's enquiry, CE/BTS(Atg) added that the effective coverage of the cameras to be erected under the new AID system was 200 metres. With its enhanced capability, the new AID system would be capable of detecting minor irregularities within the tunnel area including smoke emitted from vehicles.

39. Pointing out that the existing TCSS in TCT commenced operation since the tunnel was commissioned in 1991, Ms Claudia MO enquired about the reasons for not replacing the system earlier. AC for T/M&P advised that TCT was once managed by a franchisee during the Build-Operate-Transfer franchise period. Upon the expiry of the TCT franchise and the Government's take-over of its ownership in July 2018, the Transport Department ("TD"), in consultation with the Electrical and Mechanical Services Department ("EMSD"), had reviewed the systems and facilities in the tunnel and considered that it was

necessary to replace its TCSS to ensure the safe and effective operation of the tunnel.

*Technology adopted for the new systems*

40. Mr LAU Kwok-fan asked whether the new AID systems to be installed in ABT and TCT were similar to the one being used in WHC. AC for T/M&P said that AID system had been installed at WHC while there was no readily available information on its details. Mr Charles Peter MOK expressed dissatisfaction that such information was not available, and requested the Administration to obtain the relevant information from the franchisee of WHC and provide it to members for information.

41. Ms Claudia MO enquired about the serviceable life of the new TCSSs. PAS(T)2 advised that the serviceable life of a new TCSS generally ranged from 12 to 15 years. Having regard to the Administration's reply, Mr Charles Peter MOK was concerned how the Administration would ensure that the new TCSSs would be kept abreast of the advancement in technology throughout its serviceable life.

42. CE/BTS(Atg) responded that EMSD, together with TD, would review the operation and functions of different systems and equipment in government tunnels on an annual basis so as to ensure timely replacement of major tunnel systems. EMSD would also work with TD on upgrading the systems used in government tunnels as and when necessary.

43. Mr LUK Chung-hung was concerned whether the new TCSSs to be installed would adopt the latest and well-developed technology available in the market. He also enquired whether the Administration would leverage on the smart technology and mobile applications to facilitate the communication among tunnel staff, thereby enhancing management efficiency.

44. CE/BTS(Atg) responded that the latest image processing techniques and relevant equipment would be procured and adopted in the new TCSSs to be installed in ABT and TCT. Apart from radio communication system, the tunnel staff could make use of the instant communications software to facilitate their communication so that they could react to traffic incidents in the most suitable and timely manner.

*Replacement cost of the new systems*

45. In response to Mr POON Siu-ping's concern about the replacement costs of the new TCSSs in ABT and TCT, CE/BTS(Atg) advised that since TCT was

longer than ABT, the quantity of TCSS equipment would be larger, resulting in higher replacement cost.

*Other issues*

46. The Deputy Chairman asked about the coverage of the existing TCSSs used in ABT and TCT, in particular if there were blind spots within the tunnel areas that were not covered by the CCTV system. CE/BTS(Atg) advised that most of the cameras were erected inside the tunnel tubes and there were also a few of them erected outside the tunnel tubes. No information concerning blind spots was received so far. In this regard, the Chairman requested the Administration to supplement the relevant information when the funding proposal was submitted to FC for consideration.

47. Responding to Ms Claudia MO's enquiry, AC for T/M&P advised that the current replacement proposals were not related to the Government's initiatives to implement the electronic road pricing pilot scheme and the toll adjustment proposals for traffic rationalization among the three road harbour crossings.

Replacement of lane control signals and variable aspect signs of the traffic control and surveillance system in the Tseung Kwan O Tunnel

48. Mr CHAN Chi-chuen expressed that statistics on traffic accidents of the government tunnels concerned in the past three years should be appended to the Administration's paper for members' reference. Mr CHAN considered that the new lane control signals and variable aspect signs of TCSS to be installed in the Tseung Kwan O Tunnel should provide real-time traffic information within the tunnel area to motorists. He then asked what measures would be implemented by the Administration to provide timely traffic information to drivers and other road users in case of traffic accidents so as to facilitate journey planning by commuters.

49. AC for T/M&P responded that TD would review with the tunnel operator concerned on the tunnel operation after each accident and would make necessary improvements accordingly. In relation to dissemination of traffic information, the tunnel operator concerned was required to inform the Emergency Transport Coordination Centre under TD in case of a traffic accident so that members of the public would be informed of the accident through media or smartphone applications. The incident information would also be disseminated to drivers by radio broadcast inside the tunnel and displayed on the relevant traffic signs. The franchise bus companies concerned would also be informed if certain bus routes needed to be re-routed.

### Replacement of radio communication system in the Aberdeen Tunnel

50. Mr POON Siu-ping enquired why only the radio communication system in ABT would be replaced but not the one in TCT. CE/BTS(Atg) responded that the radio communication system in ABT had been in use for a long time and had shown signs of ageing. As such, EMSD considered it necessary to replace the said system.

### Summing up

51. After discussion, the Chairman concluded that the Panel raised no objection for the Administration's submission of the funding proposal to FC for consideration.

## **V. Fare increase application by New Lantao Bus Co. (1973) Limited**

- |                                 |  |
|---------------------------------|--|
| LC Paper No. CB(4)618/18-19(05) | - Administration's paper on fare increase application from New Lantao Bus Company (1973) Limited   |
| LC Paper No. CB(4)618/18-19(06) | - Paper on fare increase application by New Lantao Bus Co. (1973) Limited prepared by the Legislative Council Secretariat (Background brief) |

### Briefing by the Administration

52. At the invitation of the Chairman, Deputy Secretary for Transport and Housing (Transport) 2 ("DSTH(T)2") briefed members on fare increase application by New Lantao Bus Company (1973) Limited ("NLB"), details of which were set out in the Administration's paper [LC Paper No. CB(4)618/18-19(05)]. DSTH(T)2 said that the Administration would make reference to the six factors set out in the Fare Adjustment Arrangement for Franchised Buses ("FAA") in assessing the fare increase application submitted by NLB, and would take into account the views of the members of the Panel and the Transport Advisory Committee before submitting its recommendation to the Executive Council. With the aid of a powerpoint presentation, Deputy

General Manager of New Lantau Bus Co. (1973) Limited ("DGM/NLB") briefed members on the operation of NLB and reasons for applying fare increase.

*(Post-meeting note: powerpoint presentation materials on the fare increase application submitted by NLB, which was tabled at the meeting, was issued to members vide LC Paper No. CB(4)655/18-19(01) on 15 March 2019.)*

## Discussion

### *Views on proposed fare increase*

53. Noting that NLB had not increased its bus fares since 2008 and had been suffering financial losses in 2017/2018 and possibly in 2018/2019, some members, including Mr Frankie YICK, Mr YIU Si-wing, Mr LUK Chung-hung and Mr LAU Kwok-fan considered that the proposed fare increase at an average rate of 9.8% was acceptable. In view of the difficulties in recruiting bus captains, Mr YICK envisaged that there would be an upward pressure on salary adjustment. He urged NLB to continue to improve its service performance upon the approval of the proposed fare increase. Some other members, including Mr Gary FAN and Dr KWOK Ka-ki, however raised objection to the proposed fare increase. Dr KWOK opined that the fare increase application submitted by NLB was not acceptable and that the proposed fare increase would aggravate the fare burden of local residents living in Tai O and Mui Wo.

54. Dr CHENG Chung-tai took the view that it was not reasonable to increase a flat rate of 9.8% for all bus routes. Dr CHENG said that NLB had focused its resources to provide bus services to tourists and thus the quality of bus service provided for local residents was adversely affected. Some of the local residents were dissatisfied that the revenue generated from bus routes providing services to local residents were used to subsidize those bus routes catered for tourists.

55. DSTH(T)2 explained that routes operated by franchised bus operators (including NLB) were categorized into different groups. While NLB had applied for a fare increase at an average rate of 9.8%, the actual increase rate for individual groups could be different subject to the decision of the Executive Council in respect of the NLB's fare increase application. Further, NLB had been offering fare concessions to local residents, in particular those living in the South Lantau, to meet their specific needs.

56. Managing Director of NLB (“MD/NLB”) added that the routes with a higher patronage of tourists were indeed subsidizing those routes which mainly served local residents. Among the 27 routes currently operated by NLB, only three to four routes had recorded profit.

*Service performance of NLB*

57. Mr Gary FAN urged NLB to improve its service performance while seeking for a fare increase. Mr Andrew WAN expressed similar views. Mr FAN relayed the local passengers' concern about the age of NLB's fleet. The Deputy Chairman asked about the age of the oldest buses in the fleet. Mr YIU Si-wing enquired whether NLB would take further measures to lower the average age of the fleet, with a view to enhancing the safety of bus services and minimizing impact of the bus operation on the environment.

58. MD/NLB advised that as at end-December 2018, the average age of NLB's fleet was about 5.88 years old, which was lower than that of the fleet in 2008. The age of the oldest buses in the fleet was about 12 years old. MD/NLB explained that the company had deployed the newly procured double-deck buses to serve the Tung Chung routes in the light of passenger demand. Due to the road condition of the relevant road sections, single-deck buses were deployed to serve the South Lantau routes. He added that generally speaking, the franchised bus operators would arrange for replacement when the buses had been in service for 16 to 17 years. NLB would normally arrange to replace old single-deck buses in the fleet when they had been in service for around 13 years. NLB would consider taking appropriate measures to lower the average age of the fleet subject to the financial viability of the company.

59. Raising the concern of some passengers on the age and facilities of buses serving NLB route no. 11, Ms Tanya CHAN requested the Administration/NLB to provide details on the considerations for deployment of different bus models to serve different routes, and asked whether NLB would consider deploying new and larger buses to serve the above route.

60. MD/NLB advised that as the road sections of the route concerned were steep with sharp bends, it might not be suitable for double-deck buses to serve the route. NLB was looking for suitable buses, including models with higher passenger capacity, on the market to replace some of the buses serving the South Lantau routes (including route no. 11).



(*Post-meeting note*: the Chinese and English versions of the supplementary information were circulated to members vide LC Paper No. CB(4)857/18-19(01) on 10 and 21 May 2019 respectively.)

61. Mr Andrew WAN, Mr Frankie YICK, Mr LUK Chung-hung and Mr YIU Si-wing were very concerned about the adequacy of bus services provided by NLB on the Lantau Island, in particular during weekends and public holidays. They noted that passengers had to wait for a long time to get on a bus during peak hours on weekends. Mr Gary FAN suggested that priority should be accorded to the local residents in using NLB's bus services. Mr LUK echoed similar views. Mr YIU enquired whether the Administration would liaise with the ferry companies to provide ferry services between Tung Chung and Tai O to meet the upsurge in transport demand during weekends and public holidays, thereby minimizing the impact on local residents.

62. DSTH(T)2 responded that as explained by MD/NLB, double-deck buses were not suitable to be used on the route plied between Tung Chung Town Centre and Tai O via Keung Shan Road and Tai O Road due to the road condition of the relevant road sections. The Administration would continue to liaise with NLB on measures to strengthen its services during peak periods to meet passenger demand, in particular the services between Tung Chung and Tai O.

63. In response to Mr LUK Chung-hung's enquiry, MD/NLB advised that the company had been deploying additional vehicles by renting non-franchised buses to cope with passenger demand during the weekends and public holidays, and would continue with this long established arrangement in the light of the passenger demand.

64. Dr KWOK Ka-ki noted with serious concern that Kwoon Chung Bus Holdings Limited ("Kwoon Chung"), which provided non-franchise bus services to NLB, was the parent company of NLB. MD/NLB advised that the arrangement of renting non-franchised buses with drivers from Kwoon Chung during weekends and public holidays had gone through an open tender exercise. Based on NLB's evaluation, the operating costs of maintaining a larger bus fleet and recruiting more bus captains so as to meet the upsurge in transport demand during weekends and public holidays would be 30% to 40% higher than that of renting non-franchise buses during the periods concerned.

65. The Deputy Chairman expressed concern about the significant increase in NLB's accident rate in 2018 and asked if it was attributable to the deployment of more double-deck buses. DGM/NLB advised that most of these accidents were minor collision in the Tung Chung Bus Terminus and Tung Chung district.

At the Deputy Chairman's request, NLB would provide further information to explain the relationship, if any, between the increase in accident rate and the deployment of more double-deck buses to address his concern.

*(Post-meeting note: the Chinese and English versions of the supplementary information were circulated to members vide LC Paper No. CB(4)857/18-19(01) on 10 and 21 May 2019 respectively.)*

66. Mr LAU Kwok-fan noted that NLB had committed to procure new buses with safety features including electronic stability control and seat belts on all seats. He asked whether similar safety features would be retrofitted on in-service buses.

67. DSTH(T)2 advised that to enhance the operational safety of in-service franchise buses, the Administration would provide subsidies to franchise bus operators where applicable to promote the uptake of new safety technology. The Administration would follow up on the progress of this new initiative and report to this Panel as necessary.

68. MD/NLB added that NLB had been liaising with the Transport Department on measures for promoting the operational safety of in-service buses. NLB would consider retrofitting these safety features on in-service buses having regard to the cost-effectiveness and financial viability of the company.

69. Mr Gary FAN and Mr Andrew WAN said that the real-time bus arrival information display panels were not functioning well and failed to provide real-time bus arrival information. They also expressed dissatisfaction on the lack of progress regarding the improvement works for the roof cover of the Tai O Bus Terminus. Referring to the findings of passenger satisfaction surveys and site surveys as set out in paragraph 10 of the Administration's paper, Ms Tanya CHAN called on NLB to provide more channels for passengers to express their comments and suggestions.

70. Mr Holden CHOW conveyed the views of some Tung Chung residents that NLB should further strengthen the services of individual bus routes such as route nos. 37M (plied between Ying Tung Estate and Tung Chung Town Centre) and 39M (plied between Tung Chung Town Centre and Mun Tung Estate) in particular during morning peak hours. Besides, they called on NLB to provide section fares for passengers taking route no. B6 (plied between Hong Kong Port of Hong Kong-Zhuhai-Macao Bridge ("HZMB") and Mung Tung Estate) so as to supplement the inadequate bus service of route no. 39M.

71. MD/NLB responded that the above suggestions would be seriously considered by NLB. As regards the suggestion of offering section fares for individual bus routes, he pointed out that the Octopus system of NLB would be upgraded by the end of 2019, allowing NLB to provide different types of fare concessions with more flexibility.

#### *Fare Concessions*

72. Mr Andrew WAN, Dr Helena WONG and Dr KWOK Ka-ki urged NLB to offer fare concessions for the local residents of the Lantau Island, such as introducing concessionary monthly pass and same-day round trip tickets.

73. MD/NLB responded that the company had been offering fare concessions to passengers who frequently travelled on designated South Lantau routes. For example, one complimentary single-journey ticket for the route would be issued for every 30 rides; or two complimentary single-journey tickets for the route would be issued for every 40 rides. As regards the offer of fare concessions to local residents upon production of a residence card as suggested by some District Council members, NLB considered it not feasible since the issuance of residence card could not be administered by NLB, and passengers producing residence cards might not necessarily be residing on the Lantau Island as well. MD/NLB undertook to review the existing fare concessions and explore the feasibility of enhancing the fare concessions to benefit more local passengers.

74. Mr Gary FAN urged NLB to remove the holiday fares for local residents in order to relieve their fare burden arising from the fare increase. MD/NLB noted the local residents' concern on the holiday fares of some South Lantau routes. However, it would be difficult for NLB to differentiate residents from non-residents when providing the bus services to passengers. Based on NLB's evaluation, the removal of holiday fares would entail an overall increase in bus fares.

#### *Remuneration packages for bus captains*

75. Mr LUK Chung-hung commended NLB for addressing the request of the labour sector by providing 17 days general holidays to its employees. He asked when the company would communicate with the staff union on the annual pay adjustment.

76. MD/NLB advised that the company had been maintaining a close communication with the staff union in respect of the annual pay adjustment. In view of the difficulties encountered in recruiting bus captains and the rising

passenger demand upon the commissioning of HZMB, MD/NLB said that appropriate pay adjustments for bus captains would be offered with a view to retaining manpower.

77. Mr POON Siu-ping raised concern about the low level of basic salary for franchised bus captains. Noting that NLB's expenditure on staff wages had been increased by 103% in the past 10 years (i.e. about 10% increase per year), he asked whether the pay increase for bus captains would be on a par with the proposed fare increase rate, i.e. about 9.8 %, in the event that the proposed fare increase application was approved. Also, he enquired whether the Administration would consider including remuneration packages for staff as one of the factors to be taken into account in assessing a bus fare increase application under FAA.

78. DSTH(T)2 responded that the Administration noted that NLB had been proactively enhancing the remuneration packages for staff in the past 10 years, and it would be suitably considered in assessing NLB's fare increase application under the basket of factors of the FAA.

79. MD/NLB clarified that the company's expenditure on staff wages, instead of the pay increase for individual staff, had been increased by 103% since 2008. NLB had not yet started discussions with the staff union on the annual pay adjustment. Nevertheless, MD/NLB stressed that a reasonable pay adjustment for the staff would be offered having regard to the financial affordability of the company.

### Motion

80. Dr KWOK Ka-ki indicated an intention to move a motion under this discussion item. The Chairman decided that the motion was directly related to the agenda item, and members agreed to deal with it at the meeting.

81. The Chairman then referred members to the following motion proposed by Dr KWOK Ka-ki –

鑒於新大嶼山巴士(一九七三)有限公司建議的加價幅度將對居民造成龐大負擔。因此，本會要求政府凍結大嶼山巴士票價。

(Translation)

Given that the rate of fare increase proposed by New Lantau Bus Company (1973) Limited ("NLB") will impose a tremendous burden on

the residents, this Panel requests the Government to freeze the fares of NLB buses.

82. The Chairman put to vote the motion proposed by Dr KWOK Ka-ki. At Mr Frankie YICK's request, the Chairman ordered a division. Thirteen members voted for the motion, twelve members voted against the motion, and no member abstained from voting. The Chairman declared that the motion was carried.

83. Voting result for the motion proposed at the meeting was attached in **Appendix IV**.

*(Post-meeting note: The Chinese and English versions of the Administration's response to the motion passed were issued to members vide LC Paper No. CB(4)752/18-19(01) on 11 and 30 April 2019 respectively.)*

## **VI. Fare increase application for taxi**

|  |   |
|--|---|
| LC Paper No. CB(4)618/18-19(07)                                  | - Administration's paper on taxi fare increase applications   |
| LC Paper No. CB(4)618/18-19(08)                                  | - Paper on taxi fare adjustments prepared by the Legislative Council Secretariat (Updated background brief) |
| LC Paper No. CB(4)633/18-19(01)<br><i>(Chinese version only)</i> | Submission from Hong Kong Taxi Council on taxi fare increase applications                                   |
| LC Paper No. CB(4)641/18-19(02)<br><i>(English version only)</i> | Submission from a member of public on taxi fare increase applications                                       |

### Briefing by the Administration

84. At the invitation of the Chairman, Commissioner for Transport ("C for T") briefed members on the salient points in the Administration paper relating to

taxi fare increase applications submitted by the urban, New Territories ("NT") and Lantau taxi trade in September 2018. In brief, the trade proposed an average fare increase rate of 20.39% for urban taxis, 22.89% for NT taxis and 25.71% for Lantau taxis. Subject to the views of members of the Panel and the Transport Advisory Committee, the Administration would submit the fare increase proposal for consideration by the Chief Executive-in-Council. The relevant legislative amendments to the Road Traffic (Public Service Vehicles) Regulations (Cap. 374, sub. leg. D) for implementing the new taxi fares would have to go through negative vetting by LegCo.

### Discussion

85. Mr Alvin YEUNG, Dr CHENG Chung-tai, Mr Charles Peter MOK, Mr Gary FAN, Mr AU Nok-hin, Mr CHAN Chi-Chuen and Ms Tanya CHAN expressed grave concern about the proposed fare increase applications submitted by the taxi trade. The members found it unacceptable that despite the longstanding criticism amongst members of the public about poor taxi service quality, the trade still proposed an average rate of increase ranging from 20% to 25%, which was much higher than the rate of inflation and change in Monthly Median Household Income ("MMHI") in the same period since the last taxi fare increase in 2017. Dr CHENG Chung-tai and Mr YIU Si-wing also commented that the shortening of waiting time from 60 seconds to 45 seconds would have the impact of magnifying the fare increase in view of serious traffic congestion in Hong Kong.

86. C for T replied that in considering the fare increase applications submitted by the taxi trade, the Administration had all along taken into consideration a host of factors, such as public acceptability of the proposed fares, the need to maintain an acceptable level of taxi service and passengers' feedback on service, and the financial viability of taxi operations. Cumulative inflation up to the first quarter of 2019 and change in MMHI until the last quarter of 2018 since the last taxi fare increase in the second quarter of 2017 was about 5.0% and 8.5% respectively. In fact, the operating environment of the taxi trade was becoming more acute in recent years, attributable to the fluctuation in fuel costs. Having regard to the criticism on taxi service quality, the Administration had planned to introduce legislative amendments to raise the penalty level for various taxi drivers' malpractices by introducing a two-tier penalty system for taxi driver-related offences and a Taxi Driver-Offence Points System, with a view to strengthening the deterrent effect and enhancing taxi service quality.

87. Mr Alvin YEUNG opined that, despite a series of measures put forward by the Administration to enhance taxi service quality, there was no effective means to ensure that taxi service would improve after the fare increase, nor was

there any mechanism to handle passenger complaints against taxi drivers' malpractices. The public had no choice but to accept the escalating taxi fare with no guarantee in service quality.

88. Mr Charles Peter MOK, Dr CHENG Chung-tai and Mr AU Nok-hin pointed out that the Administration's policy was tilted towards the taxi trade through eliminating potential competitors by means of raising the penalty level of online hailing of private hire car service. They called on the Administration to strengthen the enforcement actions against taxi malpractices rather than combating hire car service through online hailing platforms.

89. Mr Gary FAN, Ms Tanya CHAN and Mr Charles Peter MOK opined that taxi fare increase would lead to an increase in taxi rental, which in turn would directly affect the income and livelihood of frontline drivers. In addition, it would further fuel taxi licence speculation. In their views, taxi fare should be lowered rather than increased so that taxi rental could be lowered to benefit frontline drivers and passengers. It would also curb licence speculation. Ms CHAN enquired how the Administration would ensure that taxi fare increase would not lead to an increase in taxi rental.

90. In reply to members' enquiries above, C for T said that the Administration had maintained close communication with the taxi trade in stepping up efforts to improve taxi service quality. In tandem, the Administration proposed to introduce franchised taxis to meet the new demand in the community for personalized and point-to-point public transport services of higher quality and fare as well as with online hailing features. The Administration was preparing a Bill on franchised taxis with a target to introduce the Bill into LegCo within the 2018-2019 legislative year. On the subject of drivers' income and taxi rental, C for T pointed out that while there was a slight increase in the income of rentee-driver in real terms, the income of rentor-owners actually experienced a drop during the first 12-month period after the last fare increase. She added that taxi rental was a commercial arrangement between owners and drivers in a free market. As a matter of fact, due to the shortage of taxi drivers, taxi rental had generally remained unchanged since the last fare increase. In addition, C for T said that the majority of taxi owners and operators had indicated that they would not adjust the taxi rental for about three to six months after the taxi fare increase came into effect, and would later on decide whether or not to adjust the rental having regard to actual circumstances.

91. Noting the Administration's reply above, Ms Tanya CHAN said that taxi owners only pledged not to increase taxi rental on a voluntary basis, but their pledge was not legally binding and there was no guarantee that they would freeze taxi rental after fare increase. Ms CHAN requested the Administration to

provide written response on how the Administration could ensure that fare increase would not lead to an increase in taxi rental after the meeting.

*(Post-meeting note: Chinese and English versions of the Administration's response to the above enquiry were issued to members vide LC Paper No. CB(4)879/18-19(01) on 15 and 29 May 2019 respectively.)*

92. Mr LAM Cheuk-ting and Dr Helena WONG said that the Democratic Party did not support the proposed taxi fare increase application submitted by the trade as the magnitude of increase was too high. Dr WONG opined that despite the high fare increase, frontline drivers could not reap benefits from the increase as there was no mechanism to regulate taxi rental. She called on the Administration to consider measures to ensure that the fare increase could benefit taxi drivers as their income was far below the average monthly salary of the transport trade. Mr LAM Cheuk-ting opined that, because of the malpractices of some of the taxi drivers, public perception towards the taxi trade was seriously affected. He urged the Administration to combat the malpractices of these black sheep and consider imposing heavier penalties such as disqualifying the taxi driving licence of those drivers convicted of serious offences. In addition, he suggested cancelling telephone booking charge of taxi service as online hailing service was already provided by some taxi operators free of charge.

93. C for T took note of members' suggestions and said that the Administration would listen to the views of members and relevant stakeholders when considering the fare increase applications. As regards taxi drivers' malpractices, C for T added that under the proposed Taxi Driver-Offence Points System, taxi drivers who repeatedly committed taxi-related offences would be subject to recording of points, and malpractices of a more serious nature (such as overcharging) would result in the recording of more points. Drivers would be subject to disqualification from driving taxis for a certain period of time if he had accumulated certain offence points.

94. In replying Mr CHAN Chi-chuen's enquiry on ways to alleviate the pressure to increase taxi fare as a result of the increase in fuel costs, such as the possibility of replacing liquefied petroleum gas vehicles with electric vehicles, C for T said that TD had been encouraging the taxi trade to upgrade their fleet, and some taxi associations had already switched some of their fleet to hybrid vehicles which were more energy-saving. TD would continue to encourage the taxi trade to upgrade their fleet with a view to offering better service and reducing fuel costs.



95. Mr Frankie YICK said that the operating environment of the taxi trade had becoming more difficult due to the following reasons: (i) the prevalence of illegal hire car services; (ii) ageing problem of drivers; and (iii) difficulties in attracting new blood to the trade. He opined that the fare level of taxis in Hong Kong was relatively low as compared to other cities in the world, and therefore had room for upward adjustment. In addition, he said that the average salary of taxi drivers was only \$16,000 to \$18,000 at present, which was far below the average salary of the transport trade, not to mention the lack of fringe benefits such as holidays, medical coverage and bonuses enjoyed by hired drivers. Mr YICK therefore opined that it was necessary to increase taxi fare so as to improve the operating environment of the trade and the livelihood of frontline drivers. In fact, the average monthly net income of taxi drivers had increased during the first 12-month period after the last taxi fare increase in 2017. Mr YICK also concurred that taxi rental was determined by the market, and given the shortage of drivers at present, he could not foresee any room for an increase in taxi rental.

96. Mr LUK Chung-hung expressed concern on how the fare increase could benefit frontline taxi drivers instead of taxi owner associations or taxi companies. He opined that the root cause of taxi drivers' malpractices was the low income they received, such that they were tempted to have unacceptable conduct like overcharging. Mr LUK urged the Administration to implement concrete measures to ensure that frontline taxi drivers could benefit from the fare increase. C for T reiterated that TD would keep in view the situation on taxi rental, and to ensure that the taxi owner associations and companies would not increase taxi rental immediately after the fare increase.

97. Mr YIU Si-wing enquired about the projected increase in the income of taxi drivers after the fare increase. He also asked whether the Administration would consider implementing the fare increase in phases so that the public would accept more readily the fare adjustment.

98. C for T replied that the projected increase in the income of urban taxi rentee-drivers would be around 18.6%, while taxi rentor-owners and owner-drivers would still experience a negative growth in income. In assessing the fare increase applications, C for T stressed that the Administration would consider a host of factors holistically in accordance with established practice.

99. Dr CHIANG Lai-wan asked whether the Administration would consider installing closed-circuit television system ("CCTV") inside taxi compartment in monitoring service delivery, and whether online hailing service would be provided. She also suggested that electronic payment method should be added

to offer convenience for passengers. C for T took note of Dr CHIANG's suggestions and replied that as the installation of CCTV inside taxi compartment would involve the issue of privacy protection, the Administration had to take due consideration on the suggestion. In addition, some of the taxi operators had already launched online hailing platforms to facilitate taxi hiring through mobile applications. Passengers might give comments on drivers' performance through these mobile applications to encourage service improvement.

100. Mr WU Chi-wai opined that the Administration should consider the role of taxis in the provision of personalized and point-to-point public transport service and to study the profile of passengers using taxi service. He pointed out that as taxi users usually belonged to the high income group, the proposed taxi fare increase might encourage more people to shift to using private vehicles, and therefore not conducive to improving the livelihood of taxi drivers and attracting new blood to the trade.

#### Motions

101. The Chairman said that two motions relating to the agenda item under discussion were received. However, due to insufficient time, the two motions proposed by members would be put to vote at the next regular meeting scheduled for 26 April 2019.

#### **VII. Any other business**

102. There being no other business, the meeting ended at 1:10 pm.

點名表決 DIVISION: 1  
日期 DATE: 15/03/2019  
時間 TIME: 10:40:19 上午 AM

動議 MOTION: 莫乃光議員就議程 "檢討非法以出租或取酬方式載客的罰則水平" 動議並經林卓廷議員修訂的議案  
Motion moved by Hon Charles Peter MOK under Agenda Item III on "Review of penalty level for illegal carriage of passengers for hire or reward" as amended by Hon LAM Cheuk-ting

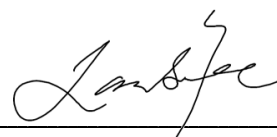
動議人 MOVED BY:

出席 Present : 21  
投票 Vote : 20  
贊成 Yes : 3  
反對 No : 15  
棄權 Abstain : 2  
結果 Result : 否決 Negatived

個別表決如下 THE INDIVIDUAL VOTES WERE AS FOLLOWS:

| 議員   | MEMBER             | 投票 | VOTE    | 議員  | MEMBER             | 投票 | VOTE    |
|------|--------------------|----|---------|-----|--------------------|----|---------|
| 陳恒鎮  | CHAN Han-pan       | 出席 | PRESENT | 鍾國斌 | CHUNG Kwok-pan     |    |         |
| 張宇人  | Tommy CHEUNG       | 反對 | NO      | 楊岳橋 | Alvin YEUNG        | 反對 | NO      |
| 陳克勤  | CHAN Hak-kan       |    |         | 尹兆堅 | Andrew WAN         | 贊成 | YES     |
| 梁美芬  | Dr Priscilla LEUNG |    |         | 朱凱迪 | CHU Hoi-dick       | 反對 | NO      |
| 黃國健  | WONG Kwok-kin      |    |         | 何君堯 | Dr Junius HO       |    |         |
| 葉劉淑儀 | Mrs Regina IP      |    |         | 何啟明 | HO Kai-ming        |    |         |
| 謝偉俊  | Paul TSE           |    |         | 林卓廷 | LAM Cheuk-ting     | 贊成 | YES     |
| 毛孟靜  | Claudia MO         | 反對 | NO      | 邵家輝 | SHIU Ka-fai        | 反對 | NO      |
| 田北辰  | Michael TIEN       |    |         | 柯創盛 | Wilson OR          |    |         |
| 易志明  | Frankie YICK       | 反對 | NO      | 陳淑莊 | Tanya CHAN         | 反對 | NO      |
| 姚思榮  | YIU Si-wing        | 反對 | NO      | 陸頌雄 | LUK Chung-hung     | 贊成 | YES     |
| 莫乃光  | Charles Peter MOK  | 反對 | NO      | 劉國勳 | LAU Kwok-fan       | 棄權 | ABSTAIN |
| 陳志全  | CHAN Chi-chuen     | 反對 | NO      | 劉業強 | Kenneth LAU        |    |         |
| 梁志祥  | LEUNG Che-cheung   | 棄權 | ABSTAIN | 鄭松泰 | Dr CHENG Chung-tai | 反對 | NO      |
| 郭家麒  | Dr KWOK Ka-ki      |    |         | 譚文豪 | Jeremy TAM         | 反對 | NO      |
| 黃碧雲  | Dr Helena WONG     |    |         | 范國威 | Gary FAN           | 反對 | NO      |
| 潘兆平  | POON Siu-ping      |    |         | 區諾軒 | AU Nok-hin         | 反對 | NO      |
| 蔣麗芸  | Dr CHIANG Lai-wan  |    |         | 謝偉銓 | Tony TSE           |    |         |
| 盧偉國  | Ir Dr LO Wai-ki    | 反對 | NO      |     |                    |    |         |

秘書 CLERK



點名表決 DIVISION: 2  
日期 DATE: 15/03/2019  
時間 TIME: 10:42:07 上午 AM

動議 MOTION: 莫乃光議員就"檢討非法以出租或取酬方式載客的罰則水平"動議的議案  
Motion moved by Hon Charles Peter MOK "Review of penalty level for illegal carriage of passengers for hire or reward"

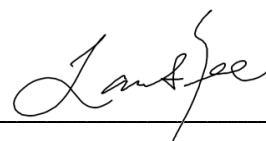
動議人 MOVED BY:

出席 Present : 23  
投票 Vote : 22  
贊成 Yes : 10  
反對 No : 12  
棄權 Abstain : 0  
結果 Result : 否決 Negatived

個別表決如下 THE INDIVIDUAL VOTES WERE AS FOLLOWS:

| 議員   | MEMBER             | 投票 | VOTE    | 議員  | MEMBER             | 投票 | VOTE |
|------|--------------------|----|---------|-----|--------------------|----|------|
| 陳恒鎮  | CHAN Han-pan       | 出席 | PRESENT | 鍾國斌 | CHUNG Kwok-pan     |    |      |
| 張宇人  | Tommy CHEUNG       | 反對 | NO      | 楊岳橋 | Alvin YEUNG        | 贊成 | YES  |
| 陳克勤  | CHAN Hak-kan       |    |         | 尹兆堅 | Andrew WAN         | 反對 | NO   |
| 梁美芬  | Dr Priscilla LEUNG |    |         | 朱凱迪 | CHU Hoi-dick       | 贊成 | YES  |
| 黃國健  | WONG Kwok-kin      |    |         | 何君堯 | Dr Junius HO       |    |      |
| 葉劉淑儀 | Mrs Regina IP      |    |         | 何啟明 | HO Kai-ming        | 反對 | NO   |
| 謝偉俊  | Paul TSE           | 反對 | NO      | 林卓廷 | LAM Cheuk-ting     | 反對 | NO   |
| 毛孟靜  | Claudia MO         | 贊成 | YES     | 邵家輝 | SHIU Ka-fai        | 反對 | NO   |
| 田北辰  | Michael TIEN       |    |         | 柯創盛 | Wilson OR          |    |      |
| 易志明  | Frankie YICK       | 反對 | NO      | 陳淑莊 | Tanya CHAN         | 贊成 | YES  |
| 姚思榮  | YIU Si-wing        | 反對 | NO      | 陸頌雄 | LUK Chung-hung     | 反對 | NO   |
| 莫乃光  | Charles Peter MOK  | 贊成 | YES     | 劉國勳 | LAU Kwok-fan       | 反對 | NO   |
| 陳志全  | CHAN Chi-chuen     | 贊成 | YES     | 劉業強 | Kenneth LAU        |    |      |
| 梁志祥  | LEUNG Che-cheung   | 反對 | NO      | 鄭松泰 | Dr CHENG Chung-tai | 贊成 | YES  |
| 郭家麒  | Dr KWOK Ka-ki      |    |         | 譚文豪 | Jeremy TAM         | 贊成 | YES  |
| 黃碧雲  | Dr Helena WONG     |    |         | 范國威 | Gary FAN           | 贊成 | YES  |
| 潘兆平  | POON Siu-ping      |    |         | 區諾軒 | AU Nok-hin         | 贊成 | YES  |
| 蔣麗芸  | Dr CHIANG Lai-wan  |    |         | 謝偉銓 | Tony TSE           |    |      |
| 盧偉國  | Ir Dr LO Wai-kwok  | 反對 | NO      |     |                    |    |      |

秘書 CLERK



點名表決 DIVISION: 3  
日期 DATE: 15/03/2019  
時間 TIME: 10:43:21 上午 AM

動議 MOTION: 易志明議員、姚思榮議員、蔣麗芸議員、劉國勳議員及陸頌雄議員就 "檢討非法以出租或取酬方式載客的罰則水平" 動議的議案  
Motion moved by Hon Frankie YICK Chi-ming, Hon YIU Si-wing, Hon CHIANG Lai-wan, Hon LAU Kwok-fan and Hon LUK Chung-hung on "Review of penalty level for illegal carriage of passengers for hire or reward"

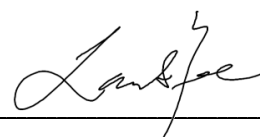
動議人 MOVED BY:

出席 Present : 24  
投票 Vote : 23  
贊成 Yes : 13  
反對 No : 10  
棄權 Abstain : 0  
結果 Result : 通過 Passed

個別表決如下 THE INDIVIDUAL VOTES WERE AS FOLLOWS:

| 議員   | MEMBER             | 投票 | VOTE    | 議員             | MEMBER             | 投票 | VOTE |
|------|--------------------|----|---------|----------------|--------------------|----|------|
| 陳恒鎮  | CHAN Han-pan       | 出席 | PRESENT | 鍾國斌            | CHUNG Kwok-pan     |    |      |
| 張宇人  | Tommy CHEUNG       | 贊成 | YES     | 楊岳橋            | Alvin YEUNG        | 反對 | NO   |
| 陳克勤  | CHAN Hak-kan       |    |         | 尹兆堅            | Andrew WAN         | 贊成 | YES  |
| 梁美芬  | Dr Priscilla LEUNG |    |         | 朱凱迪            | CHU Hoi-dick       | 反對 | NO   |
| 黃國健  | WONG Kwok-kin      |    |         | 何君堯            | Dr Junius HO       |    |      |
| 葉劉淑儀 | Mrs Regina IP      |    |         | 何啟明            | HO Kai-ming        | 贊成 | YES  |
| 謝偉俊  | Paul TSE           | 贊成 | YES     | LAM Cheuk-ting | LAM Cheuk-ting     | 贊成 | YES  |
| 毛孟靜  | Claudia MO         | 反對 | NO      | 邵家輝            | SHIU Ka-fai        | 贊成 | YES  |
| 田北辰  | Michael TIEN       |    |         | 柯創盛            | Wilson OR          | 贊成 | YES  |
| 易志明  | Frankie YICK       | 贊成 | YES     | 陳淑莊            | Tanya CHAN         | 反對 | NO   |
| 姚思榮  | YIU Si-wing        | 贊成 | YES     | 陸頌雄            | LUK Chung-hung     | 贊成 | YES  |
| 莫乃光  | Charles Peter MOK  | 反對 | NO      | 劉國勳            | LAU Kwok-fan       | 贊成 | YES  |
| 陳志全  | CHAN Chi-chuen     | 反對 | NO      | 劉業強            | Kenneth LAU        |    |      |
| 梁志祥  | LEUNG Che-cheung   | 贊成 | YES     | 鄭松泰            | Dr CHENG Chung-tai | 反對 | NO   |
| 郭家麒  | Dr KWOK Ka-ki      |    |         | 譚文豪            | Jeremy TAM         | 反對 | NO   |
| 黃碧雲  | Dr Helena WONG     |    |         | 范國威            | Gary FAN           | 反對 | NO   |
| 潘兆平  | POON Siu-ping      |    |         | 區諾軒            | AU Nok-hin         | 反對 | NO   |
| 蔣麗芸  | Dr CHIANG Lai-wan  |    |         | 謝偉銓            | Tony TSE           |    |      |
| 盧偉國  | Ir Dr LO Wai-kwok  | 贊成 | YES     |                |                    |    |      |

秘書 CLERK



點名表決 DIVISION: 4  
日期 DATE: 15/03/2019  
時間 TIME: 12:16:52 下午 PM

動議 MOTION: 郭家麒議員就"新大嶼山巴士(一九七三)有限公司的加價申請"動議的議案  
Motion moved by Dr Hon KWOK Ka-ki "Fare increase application by New Lantau Bus Co. (1973) Limited"

動議人 MOVED BY:

出席 Present : 25  
投票 Vote : 25  
贊成 Yes : 13  
反對 No : 12  
棄權 Abstain : 0  
結果 Result : 通過 Passed

個別表決如下 THE INDIVIDUAL VOTES WERE AS FOLLOWS:

| 議員   | MEMBER             | 投票 | VOTE | 議員  | MEMBER             | 投票 | VOTE |
|------|--------------------|----|------|-----|--------------------|----|------|
| 陳恒鎮  | CHAN Han-pan       | 反對 | NO   | 鍾國斌 | CHUNG Kwok-pan     |    |      |
| 張宇人  | Tommy CHEUNG       | 反對 | NO   | 楊岳橋 | Alvin YEUNG        | 贊成 | YES  |
| 陳克勤  | CHAN Hak-kan       |    |      | 尹兆堅 | Andrew WAN         | 贊成 | YES  |
| 梁美芬  | Dr Priscilla LEUNG |    |      | 朱凱迪 | CHU Hoi-dick       |    |      |
| 黃國健  | WONG Kwok-kin      |    |      | 何君堯 | Dr Junius HO       | 反對 | NO   |
| 葉劉淑儀 | Mrs Regina IP      | 反對 | NO   | 何啟明 | HO Kai-ming        |    |      |
| 謝偉俊  | Paul TSE           |    |      | 林卓廷 | LAM Cheuk-ting     | 贊成 | YES  |
| 毛孟靜  | Claudia MO         | 贊成 | YES  | 邵家輝 | SHIU Ka-fai        |    |      |
| 田北辰  | Michael TIEN       |    |      | 柯創盛 | Wilson OR          | 反對 | NO   |
| 易志明  | Frankie YICK       | 反對 | NO   | 陳淑莊 | Tanya CHAN         | 贊成 | YES  |
| 姚思榮  | YIU Si-wing        | 反對 | NO   | 陸頌雄 | LUK Chung-hung     | 反對 | NO   |
| 莫乃光  | Charles Peter MOK  | 贊成 | YES  | 劉國勳 | LAU Kwok-fan       | 反對 | NO   |
| 陳志全  | CHAN Chi-chuen     | 贊成 | YES  | 劉業強 | Kenneth LAU        |    |      |
| 梁志祥  | LEUNG Che-cheung   |    |      | 鄭松泰 | Dr CHENG Chung-tai | 贊成 | YES  |
| 郭家麒  | Dr KWOK Ka-ki      | 贊成 | YES  | 譚文豪 | Jeremy TAM         | 贊成 | YES  |
| 黃碧雲  | Dr Helena WONG     | 贊成 | YES  | 范國威 | Gary FAN           | 贊成 | YES  |
| 潘兆平  | POON Siu-ping      | 反對 | NO   | 區諾軒 | AU Nok-hin         | 贊成 | YES  |
| 蔣麗芸  | Dr CHIANG Lai-wan  | 反對 | NO   | 謝偉銓 | Tony TSE           | 反對 | NO   |
| 盧偉國  | Ir Dr LO Wai-ki    |    |      |     |                    |    |      |

秘書 CLERK

