

Executive Council approves taxi fare adjustments

The Chief Executive in Council approved today (May 10) adjustments to the urban, New Territories (NT) and Lantau taxi fares, with increases of \$3 in flagfall charge, \$0.2 in the incremental charge for the first-tier distance after flagfall, and \$0.1 in the incremental charge for the second-tier distance after flagfall. Details of the new fares are as follows:

kilometres	Flagfall charge for the first 2		
	Urban taxi	or any part thereof NT taxi	
Lantau taxi			
Existing fare	\$24	\$20.5	
\$19			
New fare	\$27	\$23.5	
\$22			

flagfall	Incremental charge for each 200 metres travelled after		
	Urban taxi	NT taxi	
Lantau taxi			
First-tier distance	2-9km	2-8km	2-20km
Existing fare	\$1.7 per jump	\$1.5 per jump	\$1.5 per jump
New fare	\$1.9 per jump	\$1.7 per jump	\$1.7 per jump
Second-tier distance	after 9km	after 8km	after 20km
Existing fare	\$1.2 per jump	\$1.2 per jump	\$1.4 per jump
New fare	\$1.3 per jump	\$1.3 per jump	\$1.5 per jump

There will be corresponding adjustments to the charge for the waiting time as a result of the increase in incremental charges after flagfall, while the other additional charges will remain unchanged.

A spokesman for the Transport and Housing Bureau said that in processing the taxi fare adjustment applications, the Government has taken into account various relevant factors including changes in revenue and operating costs of taxi operators, public acceptability, and the fare differential between taxis and other modes of public transport.

The urban, NT and Lantau taxi trade submitted fare increase applications to the Transport Department in September 2018 for increasing the flagfall charge by \$6, \$6 and \$7 respectively, the incremental charges for the first-tier distance after flagfall by \$0.2, \$0.2 and \$0.3 respectively, and the incremental charges for the second-tier distance after flagfall by \$0.2, \$0.2

and \$0.1 respectively. The trade also applied to shorten the waiting time of a hired taxi not in motion from 60 seconds to 45 seconds per jump. In addition, the three taxi trades applied for increasing the additional fare for every animal or bird carried, with the urban and NT taxi trades having applied for an increase of \$1 and the Lantau taxi trade having applied for an increase of \$3. The Lantau taxi trade also applied for increasing the additional fare for every article of baggage carried by \$2 and every hiring arranged through telephone booking by \$3. The Government consulted the Panel on Transport of the Legislative Council (LegCo) and the Transport Advisory Committee in April 2022.

"Taxis provide personalised and point-to-point public transport services to the general public. As affected by the COVID-19 pandemic and the increasing operating costs, there was a decrease in the average monthly net income of rentee-drivers of urban, NT and Lantau taxis in 2021 after netting out inflation as compared with the 2019 level. The average monthly net income of rentee-drivers is lower than the average monthly salary of the transport trade. It is difficult to attract new blood to join the industry and there is a trend of ageing within the trade. Through increasing drivers' income, the trade hopes that new blood will be attracted to join the industry and the trade will be encouraged to improve their service and invest more in new facilities, so as to enhance the overall taxi service quality," the spokesman said.

"The Government is mindful that the fare increase will bring extra transport expenses to passengers. In processing the fare increase applications, the Government has duly considered various factors and endeavoured to strike a balance among various concerns, and has recommended lower rates of fare increases as compared with the trade's proposal. Under the Government's recommendation, the average rates of fare increase are 11.54 per cent, 13.02 per cent and 13.83 per cent for urban, NT and Lantau taxis respectively," the spokesman continued.

The Government understands that the general public is concerned about taxi service quality and has all along been committed to enhancing taxi service quality and the business environment of the taxi trade, with a view to promoting its healthy development in the long run. The proposed increase in taxi fares will help improve the financial viability of the taxi operation, which in turn helps attract new blood into the industry. Apart from increasing taxi fares, the Government has reviewed the overall taxi operation and management, and proposed to take forward a series of measures to enhance the overall taxi service quality and reform the taxi industry. The recommended measures include (i) introducing a taxi fleet management regime; (ii) increasing the maximum passenger seating capacity of taxis from five to six; and (iii) introducing a taxi-driver-offence points system and a two-tier penalty system for certain taxi-driver-related offences of a more serious nature. The Government has also proposed to increase the penalties for illegal carriage of passengers for hire or reward by motor vehicles. The Government is preparing the relevant legislative proposals and will submit to LegCo for scrutiny in due course.

The Government will table the Road Traffic (Public Service Vehicles)

(Amendment of Schedule 5) Regulation 2022 at the LegCo on May 25, 2022, for negative vetting in order to adjust the taxi fares. Upon completion of the procedure, the new fares are expected to take effect from July 17, 2022.