

Introduction of franchised taxi service proposed

The Government will gazette next Friday (April 26) the Franchised Taxi Services Bill. The Bill seeks to establish a new regulatory regime to confer on the Chief Executive in Council (CE-in-Council) the powers to grant and administer the franchises for franchised taxi service, and to impose franchise terms.

The Government proposes to introduce franchised taxis, the policy objective of which is to meet the new demand in the community for personalised and point-to-point public transport services of higher quality and with online hailing features.

A spokesman for the Transport and Housing Bureau today (April 17) said, "The Government will introduce 600 franchised taxis under a trial scheme and grant three franchises by open tender, with each allowing the operation of 200 vehicles to provide franchised taxi service. The franchise will last for five years, which will be non-transferable and non-renewable."

The feature of franchised taxis is its operation through a franchise model. The Government will be able to clearly prescribe the service levels and set service standards in respect of vehicle types, compartment facilities, online hailing arrangement, safety requirements, training for drivers, customer service and complaint handling, etc., through the franchise terms. The Government can monitor the service provided by the operators through the franchises. If an operator (and its drivers) fails to meet the service levels or standards prescribed under the franchise, the Government will be able to impose penalties on the operator or even revoke the franchise.

"Franchised taxis and ordinary taxis will have different market positioning in the public transport system, with the former being an enhanced complement to the latter. Ordinary taxis will continue to constitute the vast majority of taxi services and their fare level is more affordable to the general public. Franchised taxis will be positioned as an additional choice other than ordinary taxis to meet the new demand in the community for personalised and point-to-point public transport services of higher quality and higher fares as well as with online hailing features," the spokesman said.

The Government consulted the Legislative Council Panel on Transport on the proposal to introduce franchised taxis in November 2015, June 2016 and April 2017. Meanwhile, the Government has been communicating with taxi associations and unions as well as other stakeholders through various channels to canvass views from different parties. The community at large also supports the Government to introduce franchised taxis.

The Bill confers the CE-in-Council the powers to grant and administer

the franchises, and establishes a regulatory regime to introduce franchised taxi service. It will clearly stipulate that the total number of franchised taxis that can be used for providing franchised taxi service must not exceed 600, and will specify the fare structure of franchised taxis. The Bill also contains related and consequential amendments to other enactments.

The Bill will be introduced into Legislative Council for the first reading and second reading on May 8.