

LCQ15: Taxi fleet regime

Following is a question by the Hon Edward Leung and a written reply by the Acting Secretary for Transport and Logistics, Mr Liu Chun-san, in the Legislative Council today (June 5):

Question:

As announced by the Government in July last year, a taxi fleet regime would be introduced, with no more than five taxi fleet licences intended to be issued; and the deadline for interested parties to apply for taxi fleet licence was the 31st of last month. Moreover, it has been reported that the Government expects to issue the licenses in the middle of this year, and the taxi fleets will be in operation within one year. In this connection, will the Government inform this Council:

- (1) of the total number of applications for taxi fleet licence received by the Government; of the specific criteria to be adopted for selection, and whether it will consider including the public's opinions as one of the selection criteria;
- (2) whether it has formulated a punishment mechanism to impose punishment on any fleet for failing to meet the conditions of operation and standard of service pledged in licence application, including whether it will revoke the licence of the fleet whose members have repeatedly made serious mistakes; if so, of the details; if not, the reasons for that;
- (3) given that under the taxi fleet regime, fleet licensees must provide online booking channels, including mobile applications and websites, thus making it necessary for passengers to download multiple applications or browse multiple websites in order to compare the services of all fleets, whether the Government will request fleet licensees to consolidate the online booking services and provide one-stop online booking service and performance rating function for passengers on the dedicated webpage for taxi fleet services set up by the Transport Department, with a view to enhancing user experience and promoting healthy competition among the fleets; if so, of the details; if not, the reasons for that;
- (4) given that the police have, in collaboration with parties such as the taxi trade, launched the three-month Lan Kwai Fong Taxi Ambassadors Scheme since April this year, under which taxi information cards are provided to passengers before boarding at designated taxi stands for recording information, such as the estimated fares, taxi licence plate numbers and destinations, of the effectiveness of the Scheme; whether it has plans to further extend the Scheme to taxi stands in various districts; if so, of the details; if not, the reasons for that;
- (5) whether it has compiled statistics on the current number of taxis in Hong Kong which offer at least one e-payment means for fare, and their proportion in the overall number of taxis in Hong Kong; and

(6) whether it has considered, by way of legislation or revising the conditions for licence renewal of taxi drivers, making it mandatory for non-fleet taxi drivers to provide at least one QR code e-payment means for fare collection; whether it will make the Smart Traffic Fund available to non-fleet taxi drivers for application for installing devices which support e-payment, so as to encourage them to install such devices to enhance the standard of service?

Reply:

President,

After consulting the Transport Department (TD) and the Hong Kong Police Force, our reply to the Hon Edward Leung's question is as follows:

The Government has earlier reviewed the overall operation and management of taxis and introduced a series of measures to enhance the quality of taxi service and promote the development of the trade. Such measures include the introduction of a new taxi fleet regime, under which operators may assemble existing taxis to form a fleet and apply to the TD for a Taxi Fleet Licence. The application period for Taxi Fleet Licences just ended at the end of last month. The Government expects to announce the application results in July this year.

(1) The TD received a total of 15 applications within the application period. The assessment panel formed by representatives of the Transport and Logistics Bureau and the TD will assess the applications received in accordance with the marking scheme provided in the invitation document issued earlier. The main assessment criteria are (i) management capability of applicant; (ii) vehicle quality and safety-related equipment/devices; (iii) management and quality of fleet drivers; (iv) service level and customer service; (v) online hailing and fleet dispatch plan; and (vi) daily operation, maintenance and contingency plan.

(2) Throughout the licence period, taxi fleet licensees (Fleet Licensees) must maintain proper and efficient fleet services to the satisfaction of the Commissioner for Transport (Commissioner). This includes, but not limited to, maintaining services in accordance with the statutory requirements, the terms and conditions of the Fleet Licence and any direction given by the Commissioner in accordance with the law. The TD will closely monitor the operation of the taxi fleets and conduct mid-term appraisal of the performance of the Fleet Licensees. The result of the mid-term appraisal will be taken into account in deciding whether or not an application for an extension of the licence period will be granted.

During the licence period, if the Commissioner has reason to believe that a Fleet Licensee fails to maintain proper and efficient fleet services, he or she may appoint a public officer to conduct an inquiry. If the inquiry confirms that the Fleet Licensee is not performing up to standard, the Commissioner may punish the Fleet Licensee by cancelling the Fleet Licence, suspending the Fleet Licence for a period of time, varying the Fleet Licence (e.g. in respect of the licence period or the number of taxis operating under

the fleet), and/or cancelling or suspending the fleet taxi certificates of particular fleet taxis (meaning that the fleet taxis concerned are not allowed to operate under the fleet).

(3) The TD will, through licence conditions, require Fleet Licensees to provide mobile hailing application, webpage and telephone hotline for passengers to book fleet taxis. For the convenience of passengers, when the taxi fleets come into operation, the TD will also launch a dedicated webpage listing the webpages or QR code links of each fleet to facilitate one-stop search for booking methods of different taxi fleets. In addition, according to the licence conditions, Fleet Licensee is required to open and share the relevant data (including but not limited to the real-time location of each fleet taxi, vehicle type and the operating status of each fleet taxi) during the licence period, so as to enable third party developers to set up third-party platforms (e.g. fare comparison platforms) to facilitate comparison of fares of different fleet taxis by passengers.

(4) Since the launch of the Lan Kwai Fong Taxi Ambassadors Scheme on April 5 this year, more than 7 000 members of the public and tourists have been assisted in taking taxis. The said scheme has successfully enhanced communication between passengers and taxi drivers, and reduced misunderstandings arising from language barriers or lack of understanding of the taxi fare scale. It also effectively strengthened the deterrent effect against unscrupulous taxi drivers.

The TD will continue to remind taxi drivers through various channels to abide by the law and treat passengers with courtesy. The TD also welcomes the trade to continue to organise and take part in activities that help enhance the taxi trade's image, and make concerted efforts to combat the black sheep of the industry and improve the overall quality of taxi service.

(5) and (6) The Government has been encouraging the taxi trade to introduce different electronic payment (e-payment) methods to facilitate payment of fares by passengers. Currently, some taxi drivers accept e-payment (such as Alipay and WeChat Pay which support QR code payment, and Octopus which supports non-QR code payment) for settling fares. Besides, a number of taxi hailing mobile applications in the market accept payment of fares by passengers using different e-payment methods (e.g. credit card, WeChat Pay and Alipay). The Government does not maintain figures of taxis installed with e-payment systems.

Under the taxi fleet regime, the TD will, through licence conditions, require all fleet taxis to provide at least two types of e-payment methods (including QR code and non-QR code payment methods), so as to facilitate payment of fares by passengers. The taxi fleets will set a leading and exemplary role in the trade, and will help further encourage more taxi drivers to introduce e-payment methods so that passengers will have more choices in fare payment. As the existing taxi licenses are permanent in nature and are not subject to renewal, the Government cannot add new license conditions on these licenses to make it mandatory for non-fleet taxis to provide e-payment methods. The Government will continue to promote and

encourage the taxi trade to introduce e-payment methods through different ways at this stage.

As regards the Smart Traffic Fund (STF), it provides funding support to local enterprises or organisations, including the taxi trade, for conducting research and application of innovative vehicle-related technology. The STF has approved six projects relating to taxi services to date, including a research project on the development of a smart meter system which provides auto-payment function.