

## LCQ22: Enhancing service quality and improving operating environment of taxi industry

Following is a question by the Hon Frankie Yick and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (February 20):

Question:

Some taxi trade organisations have relayed that there are serious succession and ageing problems of taxi drivers. According to their estimation, about 10 per cent of the taxis are currently left idle due to a lack of drivers, causing a decrease in taxi services. As the charges of illegal private car hire services (commonly known as "white licence car services") are not subject to any regulation and tax evasion is possible for the income from such services, some taxi drivers have, in recent years, become drivers of white licence cars so that they can earn a higher income and have a greater freedom in deciding their business hours, thereby aggravating the taxi drivers' wastage. Those organisations are also concerned that the franchised taxis scheme that the Government plans to implement will aggravate the wastage of drivers of conventional taxis. In this connection, will the Government inform this Council:

- (1) of the number of holders of a valid taxi driving licence and, among them, the number of those who were issued the driving licence for the first time, at the end of each of the past five years, with a tabulated breakdown of such numbers by the age group (i.e. 29 or below, 30 to 39, 40 to 49, 50 to 59, 60 to 69, 70 to 79 and 80 or above) to which the holders belonged at that time;
- (2) of the measures taken by the Government in the past five years (including those for combating white licence car services) to improve the business environment of the taxi trade, so as to increase the income of taxi drivers and attract new blood to the trade, together with the details and effectiveness of each of these measures;
- (3) as the Government has plans to relax one of the requirements for applying for commercial driving licences (including taxi licence), namely by shortening the minimum period for which an applicant has held a valid driving licence for private car or light goods vehicle before making the application from three years to one year, whether the Government will consider lowering at the same time the minimum age requirement for applying for such type of licences from 21 to 19, in order to attract young people to join the taxi trade as soon as practicable; if so, of the details; if not, the reasons for that; and
- (4) whether it will consider shelving its plan of introducing franchised taxis; if so, of the details; if not, how the Government will prevent the

franchised taxis from aggravating the problems of wastage and manpower shortage of drivers of conventional taxis?

Reply:

President,

The Government has been highly concerned about the manpower situation of the transport industry, including the taxi trade, and has been striving to assist the trade in enhancing the service quality and improving the operating environment so as to attract new blood and alleviate the problem of manpower shortage. My reply to the various parts of the Hon Frankie Yick's question is as follows:

(1) The number of holders and new holders of a valid full driving licence for taxis by age group as at December 31 in each of the past five years is tabulated at Annex.

(2) The Transport Department (TD) has been striving to enhance the operating environment of the trade and has implemented various trade facilitation measures, so as to foster the long-term healthy development of the taxi trade. To further strengthen its interaction and co-operation with the taxi trade and other stakeholders, the TD established the Committee on Taxi Service Quality (CTSQ) in January 2018, which serves as a multi-party platform for discussing various reform strategies and measures under the existing taxi licensing regime. To this end, the measures took forward by the TD, in collaboration with the CTSQ, include (i) updating the "Hong Kong Taxi Service Standard" and "Hong Kong Taxi Service Guidelines" by the TD in July 2018 to clearly set out the conduct and obligations of taxi drivers, taxi owners, agents and passengers under the law; (ii) launching an online training course for in-service taxi drivers by the TD in November 2018 to improve drivers' customer service skills; and (iii) rolling out the enhanced Taxi Driver Commendation Scheme by the TD in October 2018 and organising a prize presentation ceremony in January 2019 to recognise taxi drivers with outstanding service performance, so as to enhance the professional image and service quality of taxi drivers.

Furthermore, the CTSQ has also strived to push TD to enhance the existing mechanism for handling complaints relating to taxi services, with a view to taking actions against drivers who are the subjects of repeated complaints and assisting the taxi trade in setting up a system for self-monitoring and regulation. The TD and CTSQ have also encouraged the trade to leverage on technology to enhance the operational efficiency and service quality, such as setting up or integrating taxi hailing application platforms so as to improve the operating environment.

Meanwhile, the Government extended the validity period of the taxi driver identity plates to ten years in November 2018, so that the drivers need not renew their plates annually, thereby slightly reducing the operating costs. Starting from December 2018, the Government has progressively installed supplementary traffic signs displaying "except taxi pick up or drop off" beneath traffic signs with a no-stopping restriction erected in

restricted zones across the territory. This will spare the taxi trade the need to renew the restricted zone permits annually in the future.

The Government approved the taxi fare increase in April 2017 with a view to attracting new blood to the industry by increasing income and to encourage the trade to improve its service and invest more in new facilities, so as to enhance the overall service quality of the taxi industry. The taxi trade has recently submitted a new round of fare increase applications to the Government. The Government will process the applications in accordance with the established mechanism, taking into account factors such as income and expenditure of drivers, and public acceptability, etc.

Regarding the illegal carriage of passengers for hire or reward by motor vehicles, the Government has been taking a multi-pronged approach comprising enforcement, education and publicity in combating such illegal acts. On enforcement, the Police will continue to take action against such offences through targeted operations, including collecting intelligence, conducting decoy operations, and investigating and following up on complaint cases. Between January 2015 and December 2018, the Police undertook enforcement actions on 195 cases concerning illegal carriage of passengers for hire or reward by private cars or light goods vehicles. Over the same period, there were 75 vehicles on which the TD imposed suspension of vehicle licence and impoundment due to conviction of illegal carriage of passengers for hire or reward.

On publicity and education, the TD has been making use of various channels, including broadcasting announcement of public interest on radio, displaying samples of Hire Car Permits on its webpage, etc. to promote the knowledge on how to distinguish illegal hire services. It has also set up an online enquiry system for the public to check whether a vehicle has been issued with a valid Hire Car Permit. The TD has also reminded the public that the third party risks insurance for any vehicle used for illegal carriage of passengers for hire or reward may be invalidated.

To further increase the deterrent effect against the related offence so as to enhance the protection of the safety and interests of passengers and road users, the Government plans to consult the Legislative Council (LegCo) Panel on Transport on the proposal of raising the penalties for illegal carriage of passengers for hire or reward at the meeting of the Panel in March 2019.

(3) To attract more young drivers to join the industry, the Government proposes to relax the current requirement for applications of learners' and full driving licences for commercial vehicles to have held a valid driving licence of private car (PC) or light goods vehicle (LGV) for a period of at least three years to at least one year (Note). Earlier on, the Government consulted the transport industry, the LegCo Panel on Transport and the Road Safety Council on the proposal and their views were generally positive. The Government will introduce the relevant legislative proposal into the LegCo within the 2018-19 legislative session.

In respect of the proposal of lowering the age requirement for

applicants of driving licences for commercial vehicles, having considered the traffic accident statistics in Hong Kong in recent years and made reference to the general overseas practices of setting higher basic age requirements for drivers of commercial vehicles, the Government proposed to maintain the minimum age requirement for applicants of driving licences for commercial vehicles, i.e. 21 years old, at the present stage. After the implementation of relaxation of the period for holding a valid driving licence for PC or LGV from at least three years to at least one year, the TD will review the minimum age requirement for applicants of driving licences for commercial vehicles on the basis of actual situation and need.

(4) In view of the result of consultation with the LegCo Panel on Transport as well as the general supportive views from the community, the Government has proposed introducing 600 franchised taxis to meet the new demand in the community for personalised and point-to-point public transport service of higher quality and fare as well as with "online hailing" features. The Government is actively preparing the bill for the introduction of franchised taxis, and seeks to submit it to the LegCo in the 2018-19 legislative session.

The upcoming 600 franchised taxis will only account for around 3 per cent of the 18 000-odd taxis in Hong Kong and this should not cause a big impact on the current manpower situation of the taxi trade. Moreover, we propose that when assessing the applications for franchised taxi operators, applicants who propose to maintain an employer-employee relationship with their drivers will be given a higher score in the assessment. An employer-employee relationship should enhance the protection of labour rights of the drivers, provide a more stable job and income, and therefore help attract more new entrants.

As mentioned above in the second part of the reply, the Government has, in recent years, taken a series of measures to improve the operating environment of the taxi industry, enhance the taxi service quality and image of taxi drivers, with a view to attracting more new blood into the industry. Meanwhile, the TD will continue to maintain communication with the taxi trade to listen to and consider their proposed measures, so as to attract more new entrants to the taxi industry.

Note: If an applicant needs to undergo the probationary driving period, he/she will be eligible to apply for a learner's or full driving licence for commercial vehicles immediately upon issue of the full driving licence for PC or LGV after completion of the minimum one-year probationary driving period; if the applicant does not need to undergo probationary driving period (for example, persons who obtained full driving licences by direct issue), he/she will be eligible to apply for the two aforementioned types of commercial driving licences after having held the full driving licence for PC or LGV for at least one year.