

LCQ6: Taxi Fleet Regime

Following is a question by the Hon Frankie Yick and a reply by the Secretary for Transport and Logistics, Mr Lam Sai-hung, in the Legislative Council today (July 17):

Question:

â€‹The Government has introduced the Taxi Fleet Regime, with no more than five Taxi Fleet Licences (Licences) intended to be issued. There are views that with a total of 15 applications for the Licences received by the Transport Department, it is clearly an indication of the industry's eagerness to enhance the quality of taxi services through a fleet-based operating model. In this connection, will the Government inform this Council, as some members of the industry have pointed out that even with the issuance of all five Licences by the Government, the number of taxis participating in taxi fleets would merely account for 20 per cent of the total number of taxis in Hong Kong at most, whether the Government will consider increasing the number of Licences in view of the industry's overwhelming response to the Licences; if so, of the details; if not, whether the Government will consider relaxing the cap on the fleet size to enable more taxis to join the fleets and facilitate the scalable operation of the fleets; if so, of the details; if not, the reasons for that?

Reply:

President,

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 healthy development of the trade in the long run. Such measures include the introduction of a taxi fleet regime.

The taxi fleet regime is a new regulatory regime, under which operators may assemble existing taxis to form fleets and apply to the Transport Department (TD) for a taxi fleet licence. The TD will regulate the operation and management of taxi fleets, and specify the devices that are required to be installed on the fleet taxis through licence conditions. These include specifying the requirements in relation to fleet size, age of vehicles and services to be provided by fleet licensees, such as the provision of online booking channels and e-payment means as well as the installation of CCTV systems and technological devices that enhance driving safety in the compartments of the fleet taxis. In addition, the taxis must not be more than three years old when they join the fleets, nor more than 10 years old throughout the license period. We believe that the said requirements will be conducive to ensuring the service quality of taxi fleets, thereby providing passengers with better booking and travelling experiences.

Following the passage of the legislative amendments in relation to the introduction of taxi fleet regime by the Legislative Council last December,

the TD commenced the preparatory work immediately and invited applications for taxi fleet licence in mid-April this year. The TD received a total of 15 applications when the application period ended in late May, reflecting a positive response from the trade. The applicants come from a diverse background with members of other transport sectors in addition to the taxi trade.

An assessment panel formed by representatives from the Transport and Logistics Bureau and the TD is assessing the applications received in accordance with the marking scheme. The application results are expected to be announced within this month.

With regard to the question raised by the Hon Frankie Yick, I hereby reply as follows:

As I have just mentioned, the taxi fleet regime a new regime, and it is an important step to foster the improvement of the taxi trade. The Government aims at setting a good example of taxi fleet management through the introduction of this new regulatory regime. By playing an exemplary and leading role in the trade, the taxi fleets will help enhance the overall taxi service quality and image as well as boost passengers' confidence in the taxi services, thereby gradually improving the development prospect for the trade.

To achieve this vision, we believe that a more prudent strategy should be adopted in the initial stage of introducing the taxi fleet regime. Licences shall only be granted to those excellent operators showing a high level of commitment and competence in fleet operations so as to ensure the operation quality of the first batch of taxi fleets, with which the taxi fleet regime will get off to a good start. Therefore, when inviting the trade to apply for taxi fleet licences, we have stated that no more than five licences will be issued under this exercise.

Upon commencement of the taxi fleet services, the TD will closely monitor the operations and service quality of the taxi fleets, and conduct mid-term appraisal of the performance of the fleet licensees. As regards whether more taxi fleet licences are required to be issued in the future, the TD will consider the market situation at the time, taking into account factors such as the demand for fleet taxi services from the public, the services provided by each taxi fleet and the total number of fleet taxis.

As for the fleet size, a mixed or urban taxi fleet is currently required to have 300 to 1 000 taxis, while a New Territories taxi fleet shall have 100 to 350 taxis. The number of taxis under each taxi fleet will be prescribed in the licence issued. If a fleet licensee wants to increase the number of taxis under its fleet, including expanding its fleet size beyond the current limit (i.e. 1 000 taxis for a mixed or urban fleet and 350 taxis for a New Territories fleet), after being granted a taxi fleet licence, it may apply to the TD for licence amendments. When processing the application, the TD will consider such relevant factors as the market demand for fleet taxi services, the standard of the services provided by the taxi fleet, whether the fleet licensee will be able to give assurance of engaging enough taxi owners to join its fleet, and the licensee's plan of recruiting more fleet taxi

drivers, before deciding whether to grant an approval.

Thank you, President.