

LCQ20: Taxi Fleet Regime

â€‹Following is a question by the Hon Andrew Lam and a written reply by the Secretary for Transport and Logistics, Ms Mable Chan, in the Legislative Council today (May 14):

Question:

The Road Traffic Legislation (Enhancing Personalised Point-to-point Transport Services) (Amendment) Bill 2023, which, among others, seeks to introduce a Taxi Fleet Regime, was passed by this Council in December 2023. Subsequently, in July last year, the Government announced that conditional grants of the Taxi Fleet Licence were issued to five applicants, requiring them to complete the gearing-up work and commence services within one year. However, it has been reported that to date no fleets have officially commenced operations and that only two fleets are operating on a trial basis. In this connection, will the Government inform this Council:

(1) of the current number of taxis that each of the five fleets can provide for services; the respective difference between such numbers and the minimum number of taxis required under the Taxi Fleet Licence;

(2) whether it has reviewed the reasons why three of the taxi fleets have not yet commenced trial operations and the two fleets currently undergoing trial operations have not officially commenced operations since the issuance of the conditional grants of the Taxi Fleet Licence; of the respective expected dates for the five fleets to officially commence operations; and

(3) whether the authorities have formulated a plan to deal with situations where the aforementioned taxi fleets are unable to officially commence operations by the dates specified in the conditional grants; if so, of the details of the plan; 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, including the introduction of a new regulatory regime – the taxi fleet regime. With regard to the question raised by the Hon Andrew Lam, I hereby reply as follows:

(1) Upon open application and assessment by the Transport Department (TD), five operators were issued with conditional grants of the Taxi Fleet Licence in end-July 2024. The selected applicants include three urban fleets and two mixed fleets, with a fleet size of 300 to 1 000 taxis each, providing a total of over 3 500 taxis, which account for over one-sixth of the 18 163 taxis in Hong Kong and include around 300 wheelchair-accessible taxis and 1 000 premium taxis.

According to the conditional grants of the Taxi Fleet Licence, the five selected operators are required to complete the gearing-up work and commence service by end-July this year. At the time of service commencement, the size of each fleet shall reach at least 60 per cent of the total number of taxis committed to be deployed by such fleet.

Among the five taxi fleets, two fleets (SynCab and Joie Taxi) have been operating on a trial basis, with a view to gaining operation experiences, collecting passenger feedback, and allowing passengers to experience their services first-hand. It is understood that SynCab and Joie have deployed around 300 taxis altogether for trial operation. The remaining three taxi fleets are fully engaged in the gearing-up work, and drivers and taxi owners are joining the fleets one after another.

(2) and (3) Since July last year, the five selected operators have been conducting gearing-up work with great endeavour, including purchasing new vehicles and carrying out modifications, installing in-vehicle technological devices for enhancement of driving safety, setting up electronic payment systems, developing and testing online hailing applications, recruiting drivers, providing training to drivers, etc.

The TD has been holding regular meetings with the fleets to actively promote and assist their gearing-up work, while coordinating and providing support based on their needs during the preparatory stage. For example, in response to the need of various operators to acquire new models of vehicles for use as fleet taxis, the TD has, on the premise of ensuring road safety, streamlined the procedures by introducing batch applications and vehicle examinations and providing facilitating measures in respect of the vehicle examination arrangements.

We understand that taxi fleet is a new type of service, and some taxi owners and drivers may not understand the operation of the fleets and therefore are hesitant to join the fleets. This has led to various challenges for the fleet operators in conducting the gearing-up work, for example regarding driver recruitment and engagement of taxi owners. At present, two of the fleet operators have started trial operations. Such operations not only allow these fleets to collect passenger feedback but also provide a valuable opportunity for trade members to understand the operation of fleets, which is beneficial to attracting more taxi owners and drivers to join the fleet. Additionally, it is understood that the fleet operators have implemented different measures to recruit taxi owners and drivers, such as hosting fleet introduction sessions and recruitment events, organising activities to showcase the new taxi models and new fleet management approach to taxi owners, offering referral bonuses and driving safety bonuses to drivers, and implementing flexible work schedules. We hope that the fleet operators will continue to adopt various strategies to recruit taxi owners and drivers. The TD will also maintain close communication with the fleets, and actively facilitate their completion of the gearing-up work for the commissioning of taxi fleet services by end-July this year. Furthermore, apart from the launching of the respective online booking channels by the fleets, we understand that a third-party technology provider is discussing with the fleets the launching of a centralised online hailing platform to

make it more convenient for the public to book fleet taxis. The Government will continue to encourage the fleets to take forward the relevant work.

We aim to introduce systematic management and technology-driven fleets through the taxi fleet regime, and thereby motivating the taxi trade to innovate and transform. At the same time, the Government will continue to implement other measures through a multi-pronged approach, and be determined to enhance the quality of taxi services and to promote the industry's long-term healthy development, thereby providing passengers with taxi services of better quality. These measures include the already effective Taxi-Driver-Offence Points system and the two-tier penalty system which aim to enhance the deterrent effects against the black sheep of the industry, and the legislative proposals to mandate taxis to install in-vehicle cameras, dash cameras and global navigation satellite systems in their compartments and to provide e-payment means.