

# Cab business shake-up

NST  
17/8/16  
MLS 10

## TRANSFORMATION:

Govt to inject RM150 million over five years

**FERNANDO FONG**  
KUALA LUMPUR  
kee.soon@nst.com.my

THE freeze on the issuance of individual taxi licence under the metered and hired car classes will be lifted.

This is one of the 11 initiatives under the Taxi Industry Transformation Programme (TITP) to reform the country's ailing taxi sector.

The Land Public Transport Commission (SPAD) said the move, effective from Sept 1, would also see the government injecting RM150 million over the next five years into the sector.

This will be translated into a RM5,000 cash grant for each taxi driver with a clean track record who wants to exit the rental (*pajak*) model.

The cash grant will enable them to buy new cars, and they will have the option to continue as taxi drivers or to drive for e-hailing companies. This grant will be in addition to other financial assistance.

It is estimated that 46,000 taxi licences have been issued. Out of this number, 26,000 fall under the rental system.

The issuance of individual taxi permits was frozen since 2010, with the exception of Teksi 1Malaysia.

SPAD chairman Tan Sri Syed Hamid Syed Albar said the rental system had led to much unhappiness among taxi operators.

This, he said, was also the reason they were very much against Uber and Grab as they feared they would not be able to compete against the e-hailing system.

"We have been engaging them for two years. We set up a taxi industry

## 11 measures under the Taxi Industry Transformation Programme

A	B	C	D
<b>LEVERAGING ON TECHNOLOGY TO IMPROVE SERVICE</b>	<b>IMPROVE TAXI DRIVERS' INCOME AND WELFARE</b>	<b>IMPROVE TAXI DRIVER'S SERVICE, QUALITY AND CONDUCT</b>	<b>RATIONALISE TAXI FARE</b>
<b>1</b> Regulating e-hailing applications, such as Uber, Ezcablink, Grab, Move and Taxi2Go, as an intermediary service under the Akta Pengangkutan Awam Darat 2010: <ul style="list-style-type: none"><li>• companies to be incorporated in Malaysia</li><li>• companies to provide insurance for vehicles, passengers and drivers</li><li>• drivers to have Driver's Cards issued by SPAD</li><li>• minimum vehicle inspection requirement will be imposed pending further deliberation among relevant agencies.</li></ul>	<b>2</b> Propose standardisation of <i>pajak</i> (rental) contracts with statutory contractual terms. <b>3</b> Enable drivers from <i>pajak</i> model to own individual licences with RM5,000 cash grant and other financing assistance. <b>4</b> Introduce more vehicle model options. <b>5</b> Impose KPIs on taxi companies.	<b>6</b> Establish taxi drivers improvement programme. <b>7</b> Impose stringent pre-screening process. <b>8</b> Increase standard using merit and demerit system.	<b>9</b> Rationalise metered fare structure. <b>10</b> Rationalise zonal fare. <b>11</b> Allow dynamic fare for metered taxi under e-hailing apps.

\* Other employment options will be explored with Ministry of Human Resources for taxi drivers who do not want to remain in the industry.



laboratory and gathered feedback from taxi associations, taxi companies, e-hailing providers and vehicle manufacturers," he said yesterday.

Under TITP, all vehicle models with a three-star safety rating under the Asean New Car Assessment Programme will be approved.

This will provide wider options of competitively priced cars for taxi licence holders.

Syed Hamid said metered taxi drivers would have the flexibility of street

hailing and e-hailing, providing them with the option of a dynamic pricing structure.

Metered taxi drivers will also benefit from the replacement of the zonal fare with distance-based calcu-

lation to ensure consistency and fairness to taxi drivers at terminals and airports.

A Taxi Driver Accreditation Programme will be implemented to imbue a service culture, encompassing four modules — taxi driver orientation programme, unleashing entrepreneurship in taxi drivers, treatment of passengers and safety/maintenance.

This mandatory training will be conducted by training providers appointed by SPAD.

"TITP will standardise taxi rental contracts with statutory contractual terms and mandatory key performance indicators (KPIs) for taxi operators," Syed Hamid said.

"KPIs include requiring taxi fleets to be linked to a despatcher (mobile application and phone, web or radio bookings) to expand and enhance access to taxi service and increase

drivers' earning.

"We recognise that the e-hailing services are here to stay, so we are giving taxi drivers the opportunity to be involved in e-hailing, too."

E-hailing will be regulated as an intermediary service under the Land Public Transport Act 2010 and drivers will be required to have a Drivers' Card issued by SPAD.

SPAD will impose stringent pre-screening processes on taxi and e-hailing drivers to improve their quality and conduct.

This will include health, criminal and traffic offence checks.

SPAD will work closely with the Road Transport Department to include a full list of offences for taxi drivers under the new Kejara Demerit Points System.

The changes proposed in TITP are expected to be tabled in Parliament in November.



**Tan Sri Syed Hamid Syed Albar**