

For Information

Legislative Council Panel on Transport Private Driving Instructors' Licences

PURPOSE

This paper informs Members of the outcome of the review conducted by the Transport Department (TD) in early 2007 on the need to issue Private Driving Instructors' (PDI) licences and on the grouping of PDI licences.

BACKGROUND

2. The Government has all along adopted a “two-pronged approach” in respect of driver training. On one hand, we promote off-street driver training through the establishment of driving schools. On the other hand, we maintain a sufficient supply of PDIs for on-street driver training. A review was conducted in 1999 to ensure this policy could be sustained through objective means to stabilise the supply of PDIs. The review also sought to streamline the PDI licence regime. With the support of the majority of the trade and Legislative Council Panel on Transport, we implemented the recommendations on the grouping of PDI licences and the mechanism to issue new PDI licences by amending the Road Traffic (Driving Licences) Regulations (Cap. 374B) (the Regulations) in September 2000 and July 2001.

3. Following the above review, PDI licences were regrouped from 7 types into 3 groups -

- Group 1: Private Cars and Light Goods Vehicles
- Group 2: Light Buses and Buses
- Group 3: Medium Goods Vehicles, Heavy Goods Vehicles and Articulated Vehicles

The above grouping was drawn up after careful consideration of the driver training skills for each group of vehicles. There are common features for vehicles within each group - Group 1 vehicles are small vehicles used for the training of beginners; Group 2 vehicles are vehicles for the carriage of a substantial number of passengers; and Group 3 vehicles are vehicles for the carriage of goods.

4. We agreed with the trade in 1999 that the number of valid PDI licences prevailing at the time for the three groups of vehicles (1050 for Group 1, 130 for Group 2 and 230 for Group 3) would be used as benchmarks. The trigger point for Commissioner for Transport (C for T) to consider issuing new PDI licences for a particular group is when the number of valid licences falls below the benchmark by 10%. As the number of valid licences fluctuates, the average number of valid licences for the period of six months prior to the review will be used for the purpose of comparison.

5. The C for T will review biennially the need to issue new PDI licences. In so doing, he is required to take into account the following factors as set out in the Regulations :

- (a) prevailing traffic conditions;
- (b) policy adopted for driver training; and
- (c) demand of learner drivers to receive driving instructions from PDIs in respect of that group of motor vehicles.

6. Since then, reviews were conducted in 2002 and 2004. 173 new Group 1 PDI licences were issued in 2002 while no new PDI licence was considered necessary in 2004.

THE 2006 REVIEW

Issue of new PDI licences

7. TD has conducted another round of review having regard to the supply of and demand for on-street driver training. As shown in **Annex A**, the average numbers of PDI licences for the three groups in the review period have all dropped below the benchmarks by more than 10%. In consideration of whether new PDI licences should be issued, C for T has looked into the number of test forms sold, which is a useful indicator of the demand for driver training as each learner driver is required to buy a test form for each driving test attempt.

8. As shown in **Annex B**, there has been a significant drop in the demand for driver training across the board. For Groups 2 and 3, the magnitude for decrease in the number of test forms sold is larger than that in the number of valid PDI licences. As a result, the “PDI licences to test form ratio”, which indicates the ratio between supply of and demand for driver training, drops from 1:87 in 1999 to 1:73 in 2006 for Group 2, and from 1:52 to 1:41 for Group 3. These findings indicate that there is no need for new Group 2 and Group 3 PDI licences.

9. As regards Group 1 PDI licences, **Annex B** shows that the supply of and demand for driver training have dropped by similar extent of around 25% from 1999. For a more detailed analysis, C for T has further examined the demand situation for on-street driver training by excluding the number of test forms issued to students of designated driving schools. As shown in **Annex C**, the “PDI licences to test form ratio” for Group 1 is 1:70, down from 1:74 in 1999. In the light of this situation, C for T considers it not necessary to issue any new Group 1 PDI licences.

Review on grouping of PDIs

10. It has been suggested that the three groups of PDIs should be further merged into one in order to enable Groups 2 and 3 PDIs to provide driver training for Group 1 vehicles. TD has carefully examined this proposal in this review. TD remains of the view that each group of vehicles requires different driver training skills¹. The existing grouping was drawn up after detailed considerations and has achieved a good balance between providing flexibility for the work of PDIs (by allowing them to teach more than one vehicle class within the same group) without compromising the quality of driver training and road safety.

11. TD has also drawn reference to the arrangements adopted by other regulatory authorities². The findings indicate that grouping of PDI licences are also adopted in Beijing, Shanghai, Guangdong, Vancouver and Japan.

CONSULTATION

12. TD has consulted the 11 PDI associations on the outcome of the review. The majority of the trade supported the recommendation of not issuing new PDI licences. While some PDI associations do not object to the present grouping arrangement *per se*, they consider that Groups 2 and 3 PDIs should be issued with Group 1 PDI licences in recognition of their skills to provide driver training for Group 1 vehicles. We consider that according priority to Groups 2 and 3 PDIs for issue of Group 1 PDI licences (if such licences are to be issued) is not

¹ The students for Group 1 PDIs are mostly learner drivers without any driving experience and the PDIs need to teach them not only the basic driving skills but also general conduct in road use. Groups 2 and 3 PDIs provide driver training to experienced drivers with driving experience of at least three years. Their teaching focus is more on how to control the vehicles, which are much longer, wider and heavier than private cars or light goods vehicles.

² The research covers cities in the Mainland, California and Nevada in USA, Vancouver in Canada, Singapore, Japan, New Zealand and the U.K.

appropriate and is unfair to other prospective applicants. The proposal would also upset the balance between the supply of and demand for Group 1 PDI licences.

INFORMATION

13. Members are requested to note the outcome of the review as set out in paragraphs 7 to 12.

**Transport Department
Transport and Housing Bureau
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Comparison of Number of PDI Licences in 1999 and 2006

PDI Group	(A) Benchmark (As at 1 Nov 1999)	(B) Average number of PDI licences in 2006 (July - Dec)	Difference (B)-(A)
1	1 050	769	281 (-27%)
2	130	88	42 (-32%)
3	230	193	37 (-16%)

Market Demand for Driver Training in 1999 and 2006

PDI Group	(A) Benchmark (As at 1 Nov 99)	(B) Total number of test forms sold in 1999*	(C) Average number of PDI licences in 2006 (July - Dec)	(D) Total number of test forms sold in 2006*	Difference (D)-(B) (Demand)	Difference (C)-(A) (Supply)	PDI to test forms ratio in 1999 (A:B)	PDI to test forms ratio in 2006 (C:D)
1	1 050	113 438	769	85 289	28 149 (-25%)	281 (-27%)	1:108	1:111
2	130	11 310	88	6 412	4 889 (-43%)	42 (-32%)	1:87	1:73
3	230	12 034	193	7 940	4 094 (-34%)	37 (-16%)	1:52	1:41

* The total number of test forms sold included both for designated driving schools and for on-street driver training.

Market Demand for On-street Driver Training in 1999 and 2006

PDI Group	(A) Benchmark (As at 1 Nov 99)	(B) Total number of test forms sold for PDI market in 1999	(C) Average number of PDI licences in 2006 (July - Dec)	(D) Total number of test forms sold for PDI market in 2006	Difference (D)-(B) (Demand)	Difference (C)-(A) (Supply)	PDI to test forms ratio in 1999 (A:B)	PDI to test forms ratio in 2006 (C:D)
1	1 050	77 790	769	53 754	24 036 (-31%)	281 (-27%)	1:74	1:70
2	130	10 450	88	5 539	4 911 (-47%)	42 (-32%)	1:80	1:63
3	230	11 070	193	7 260	3 810 (-34%)	37 (-16%)	1:48	1:38