

**For discussion  
on 30 March 2010**

**Legislative Council Panel on Transport**  
**Private Driving Instructors' Licences**

**PURPOSE**

This paper informs Members of:

- (i) the progress of the issue of new Private Driving Instructors' (PDI) licences; and
- (ii) review findings on the grouping of PDIs, and preliminary options for further consultation with the trade.

**BACKGROUND**

2. The Government has been adopting a “two-pronged approach” in respect of driver training. On the 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.

3. A review was conducted in 1999 to ensure that the “two-pronged approach” driver training policy could be sustained through objective means to stabilise the supply of PDIs. Following the 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 taking into account comments from the trade. There are common features for vehicles within each group - Group 1 vehicles are small vehicles; 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 PDIs (1 050 for Group 1, 130 for Group 2 and 230 for Group 3) would be used as benchmarks. The trigger point for the Commissioner for Transport (the Commissioner) to consider issuing new PDI licences for a particular group is when the number of valid licences falls below the benchmark by 10%.

5. The Commissioner reviews 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 Road Traffic (Driving Licences) Regulations (Cap.374B):

- (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 1999, reviews have been conducted in 2002, 2004, 2006 and 2008. A total of 173 new Group 1 PDI licences were issued in 2002 while no new PDI licence was considered necessary following the reviews in 2004 and 2006. In the 2008 review, the Commissioner decided to issue a total of 460 new PDI licences. The issue of these new PDI licences is underway.

7. Some members of the PDI trade have suggested that, with their rich experience in providing driving instructions, PDIs in Groups 2 and 3 should be given priority in applying for the new Group 1 PDI licences. They suggested that all PDIs should possess the driving licences of all classes so that each PDI would (subject to their passing the relevant PDI tests) be qualified for providing driver training for all the three groups, thereby enhancing the overall quality of private driver training. Some PDIs suggested merging the three existing PDI groups into one (hereafter the “3 in 1 proposal”). In the light of these comments, we have studied the practices in some jurisdictions on the regulation of private driver training and conducted a review of the grouping of PDIs. The findings of the review are set out in the latter part of this paper.

## **THE ISSUE OF NEW PDI LICENCES**

8. Following the 2008 review, the Commissioner decided to issue a total of 460 new PDI licences to fill the shortfall in each group as follows-

<b>PDI Group</b>	<b>(A) Benchmark (as at 1 Nov 99)</b>	<b>(B) Average number of PDI licences in 2008 (July - Dec)</b>	<b>Number of New PDI licences to be Issued (A)-(B)</b>
1	1 050	703	347
2	130	75	55
3	230	172	58

9. The Transport Department (TD) invited applications for the new PDI licences in mid-July 2009. A total of about 33 000 applications were received. As the number of applications received for each PDI group exceeded the number of new licences to be issued, the order in which the applications were dealt with was determined by lot as required by the law. Eligible applicants would be invited to attend relevant written and road tests in accordance with their priorities as determined by lot; applicants who pass both tests would be issued a PDI licence of the PDI group they applied for.

10. As of mid-March 2010, 1 041 applicants have been invited to attend the written test. A total of 71 applicants have passed both written and road tests and have been issued with PDI licences, including 48 for Group 1 PDI licences, 15 for Group 2, and 8 for Group 3. It is estimated that the whole exercise of issuing new PDI licences will be completed by early 2011. A detailed breakdown of the progress of the written and road tests is at **Annex I**.

## **REVIEW OF PDI GROUPING**

### **Overseas Experience**

11. We have studied the regime of issuing driving instructors' licences in the following 12 jurisdictions:

- the Mainland (Beijing, Guangdong, Shanghai)
- the United Kingdom
- Australia (New South Wales)
- Canada (Vancouver)
- the United States (Washington, Vermont, Nevada, Alaska)

- Thailand
- Singapore

All these jurisdictions, except Singapore, allow PDIs to provide driver training services for rewards. In Singapore, no PDI licence has been issued since 1987 as driver training is provided only by driving schools.

12. All the other 11 jurisdictions maintain some kind of groupings for PDI licences, and require licence applicants to take separate tests to obtain the qualification for providing driver training services of a particular vehicle class. None of the jurisdictions studied has a benchmark or quota for PDI licences. In general, any person who is interested in becoming a driving instructor may submit an application at any time and take the relevant tests, passing of which would lead to the issue of a PDI licence of the relevant vehicle class.

13. Our research also reveals that none of the jurisdictions studied requires driving instructors of a particular vehicle class to also obtain the driving licences of other vehicle classes. Previous driving experience ranging from 2 to 5 years is a common prerequisite for one to obtain a driving instructors' licence. A summary of the findings of the research is at **Annex II**.

## **Review of the Local System**

### Grouping and examination requirement

14. Different skills are required for driving, and hence driver training of different vehicle classes. To ensure the quality of private driver training service, applicants of PDI licences should pass the written and road tests of the particular vehicle class for which they intend to give driving instructions, even if they are already qualified to give driving instructions of other vehicle classes. Grouping of PDIs is therefore justified in terms of specialization of skill sets and is also in line with the common overseas practice.

### Benchmark for each PDI group

15. The benchmark or quota for PDI licences regulates the supply of PDIs in the market, which can better match the demand for on-street driver training, prevailing traffic conditions and the policy adopted for driver training.

16. There is significant interest in the PDI market, as shown by the number of applications for PDI licences received, about 14 000 in 2003 and about 33 000 in 2009, where the numbers of new PDI licences to be issued were

only 173<sup>1</sup> and 460<sup>2</sup> respectively. If the existing benchmarks for PDI licences are lifted, we expect that the number of PDIs would increase significantly. Over the past ten years, the number of driving test forms sold<sup>3</sup> has decreased by 37%, from 99 000 in 1999 to 62 000 in 2009. A detailed breakdown is at **Annex III**. With the decreasing demand for driver training, the market of driver training would be adversely affected even if the number of PDIs maintains at the current level.

### Limitations of the existing mechanism

17. While the existing mechanism is able to maintain a steady supply of PDIs, some members of the PDI trade considered that it was inflexible and failed to recognize the experiences of existing PDIs when new PDI licences are issued. According to the existing legislative provision, the Commissioner should invite the public to apply for any new PDI licences by a notice published in newspapers, and the order in which all eligible applications for new PDI licences are to be dealt with have to be determined by lot. As a result, applications by existing PDIs do not enjoy any priority in applying for the PDI licences in other groups. Some experienced PDIs in Group 2 and 3 may be denied from obtaining the new PDI licences in Group 1, or vice versa.

### **The “3 in 1” proposal**

18. Under the “3 in 1” proposal advocated by some of the PDI trade members as mentioned in paragraph 7 above, all existing holders of PDI licences, irrespective of the groups they belong to, would be allowed to give driving instructions to learner drivers of other groups, so long as they possess the driving licences of the relevant vehicle classes. In effect, grouping of PDIs would no longer exist. These PDI trade members further suggested that in order to increase the standard of PDIs, new entrants of the PDI trade would be required to possess driving licences of all vehicle classes under the existing three PDI groups, i.e. private car, light goods vehicle, public/private light bus, public/private bus, medium goods vehicle, heavy goods vehicle and articulated vehicle. If this suggestion is adopted, it would take at least 4 to 5 years for a person to obtain driving licences of all vehicle classes and another three years before he can be eligible for applying for a PDI licence under the “3 in 1” proposal. In practice, it would mean a higher threshold for entry into the PDI market.

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<sup>1</sup> For PDI Group 1 only

<sup>2</sup> For all three PDI Groups

<sup>3</sup> Each learner driver is required to buy a test form for each driving test attempt. The number of test forms sold is therefore a useful indicator of the demand for on-street driver training.

19. As mentioned in paragraphs 12 and 13 above, groupings of PDIs exist in all the jurisdictions studied. None of them requires a PDI to obtain the qualifications for providing driver training of all major vehicle classes, i.e. the “3 in 1” proposal is not a common practice adopted elsewhere.

## **Options**

20. Taking into account the consideration set out in the above paragraphs, we intend to further consult the trade on three options -

Option A: to maintain the status quo;

Option B: to lift the benchmark for individual groups but maintain a benchmark for overall number of PDI licences; and

Option C: to lift the benchmark for all PDI groups.

### Option A

21. Under this option, the current benchmark for each PDI group and the mechanism for issuing new PDI licences would remain unchanged. The Commissioner would biennially review the need to issue new PDI licences subject to the benchmarks for PDI licences of individual PDI groups.

22. As explained in paragraph 17 above, some members of the PDI trade commented that the existing mechanism was inflexible and failed to give priority to existing PDIs for the application for any new PDI licences that may be issued from time to time.

### Option B

23. Under this option, there would only be one benchmark for the total number of PDI licences while the grouping of PDIs would remain unchanged. The level of this new benchmark would need to be considered subject to discussion with the PDI trade.

24. Similar to the present arrangement, regular reviews on the number of valid PDI licences would be conducted to assess the need for issuing new PDI licences. Should the Commissioner decide to issue new PDI licences, public notices would be issued and the applications would be processed in an open and fair manner.

25. Under this option, those who already have a PDI licence would be allowed to apply for PDI licences in other PDI groups at anytime.

### Option C

26. Under this option, whilst the existing grouping of PDIs would remain unchanged, there will not be any limit on the number of PDI licences to be issued for individual PDI groups. Any interested person may apply to take the necessary tests to become a PDI of a particular group without the need to wait for the issue of a public notice by the Commissioner if they meet the specified qualifications and requirements.

27. We expect that the number of PDIs would increase significantly under this option, thereby resulting in keen competition within the trade.

28. It should be noted that amendments to existing legislation would be required to implement either options B or C.

### **Way forward**

29. Any change to the grouping of PDIs may have an impact on the structure of the trade and the livelihood of individual PDIs. Thorough consultation with stakeholders is necessary before changes are contemplated. We will consult the trade to hear their views before deciding on the way forward.

### **ADVICE SOUGHT**

30. Members are invited to note the progress of the issue of the new PDI licences and comment on the proposed options set out in paragraphs 21 to 28 above.

**Transport Department  
Transport and Housing Bureau  
March 2010**

## Annex I

### Progress of issue of new PDI licences

(As of 15 March 2010)

Group	No. of applicants invited <sup>1</sup>		No. of applications for full exemptions granted <sup>2</sup>	No. of notifications to successful applicants	No. of licences to be issued
	Written Tests	Road Tests			
1	783 (473)	287 (165)	8	48	347
2	132 (76)	26 (17)	3	15	55
3	126 (71)	47 (24)	1	8	58
<b>TOTAL</b>	<b>1 041(620)</b>	<b>360 (206)</b>	<b>12</b>	<b>71</b>	<b>460</b>

<sup>1</sup> Some applicants, for different reasons, did not attend the tests after receiving TD's invitation, such as giving up the chance to obtain PDI licences, applying for postponement of the test and inability to attend the test on medical ground, etc. The number of applicants attended the tests is provided in bracket.

<sup>2</sup> Full exemption (both written and road tests) is granted to existing restricted driving instructors (RDIs) of the same group; for ex-RDIs/PDIs of the same group and existing RDIs/PDIs of other groups, the written test would be exempted.

**Overseas Practice in respect of Qualification Requirements for Private Driving Instructor**

<b>Jurisdictions</b>	<b>Separate test for each private driving instructor group</b>	<b>Quota on number of private driving instructor licences</b>	<b>Requirement for a private driving instructor of a particular vehicle class to also obtain the driving licences of other vehicle classes</b>	<b>Driving experience requirement for being a private driving instructor</b>
Australia (New South Wales)	Yes	No	No	3 years
Canada ( Vancouver )	Yes	No	No	3 years
The Mainland (Shanghai, Guangdong and Beijing)	Yes	No	No	3 years
Singapore <sup>4</sup>	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Thailand	Yes	No	No	No such requirement
UK	Yes	No	No	3 years

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<sup>4</sup> Singapore has ceased to issue private driving instructor licence since 1987.

<b>Jurisdictions</b>	<b>Separate test for each private driving instructor group</b>	<b>Quota on number of private driving instructor licences</b>	<b>Requirement for a private driving instructor of a particular vehicle class to also obtain the driving licences of other vehicle classes</b>	<b>Driving experience requirement for being a private driving instructor</b>
USA ( Alaska )	Yes	No	No	2 years
USA ( Nevada )	Yes	No	No	5 years
USA ( Vermont )	Yes	No	No	5 years
USA ( Washington )	Yes	No	No	5 years

**Annex III**

**Market Demand for On-street Driver Training in 1999 and 2009**

<b>PDI Group</b>	<b>Benchmark</b>	<b>Total number of test forms sold for PDI market in 1999</b>	<b>Total number of test forms sold for PDI market in 2009</b>	<b>Change in number of test forms sold between 1999 and 2009</b>
1	1 050	77 790	51 670	-26 120 (-33.6%)
2	130	10 450	5 040	-5 410 (-51.8%)
3	230	11 070	5 100	-5 970 (-54%)
	<b><u>Total</u></b>	<b><u>99 310</u></b>	<b><u>61 810</u></b>	<b><u>-37 500</u></b> <b><u>(-37.8%)</u></b>