

For Information

Legislative Council Panel on Transport **Private Driving Instructor's Licences**

PURPOSE

This paper informs Members of the outcome of the biennial review conducted by the Transport Department (TD) in end 2004 on the need to issue Private Driving Instructor's (PDI) licences.

BACKGROUND

2. The Government has all along adopted a "two-pronged approach" in respect of driver training. We promote off-street driver training through the establishment of driving schools while maintaining a sufficient supply of PDIs for on-street driver training. In pursuance of the "two-pronged" approach and following a review conducted in 1999, the Government developed a package of proposals, which, amongst other things, aimed at ensuring a good supply of PDIs. Having consulted the trade and the LegCo Panel on Transport, the Road Traffic (Driving Licences) Regulations (Cap. 374B) (the Regulations) were amended in September 2001 to give effect to a new mechanism for issuing new PDI licences.

3. Under the existing mechanism, the Commissioner for Transport (C for T) will conduct a review on the number of PDI licences biennially to determine if there is a need to issue new PDI licences having regard to the following factors as set out in the Regulations:

- (a) prevailing traffic conditions;
- (b) policy adopted for driver training for the time being; and
- (c) the demand for learner drivers to receive driving instruction from PDIs in respect of that group of motor vehicles¹.

¹ PDIs are currently classified into 3 groups. Group 1 PDIs can give driving instructions on private cars and light goods vehicles. Group 2 PDIs can give driving instructions on buses and light buses. Group 3 PDIs can give driving instructions on medium goods vehicles, heavy goods vehicles and articulated vehicles.

4. We also agreed with the LegCo Panel on Transport and the trade that the number of valid PDI licences for the three groups of motor vehicles at the time (1050 for Group 1 (private car and light goods vehicle); 130 for Group 2 (buses and light buses); 230 for Group 3 (medium goods vehicles, heavy goods vehicles and articulated vehicles)) should be regarded as benchmarks. The trigger point for C for T to consider issuing new PDI licences for that group is when the number of valid licences falls below the benchmark by 10%. The number of new licences to be issued will be set at such a level that the total number of valid licences will not exceed the benchmark. 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. A review was conducted by TD in 2002, following which, 173 new Group 1 PDI licences were issued.

THE 2004 REVIEW

6. TD has recently conducted another round of review on the number of valid PDI licences for each of the three groups of motor vehicles. As shown in **Annex A**, the number of Group 1 PDI licences in 2004 has dropped by some 16% from the number in 1999, Group 2 PDI licences by 19% and Group 3 PDI licences by 12%. The trigger points for issue of new PDI licences have been reached. However, in deciding whether there is a need for new PDI licences, C for T has to first consider the demand for learner drivers to receive driver training.

7. As each learner driver has to buy a test form for each driving test attempt, the number of test forms sold is the indicator of the market demand for driver training. As shown in **Annex B**, there has been a significant drop in the number of test forms sold over the past four years. In fact, the decrease in the demand for driver training 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 1:108 in 1999 to 1:105 in 2004 for Group 1, from 1:87 to 1:79 for Group 2, and from 1:52 to 1:48 for Group 3.

8. The ratios show that the balance between supply of and demand for PDIs has tilted in favour of the former. Suffice it to add that there is sufficient number of PDIs to meet the demand for driver training. C for T therefore considers it not necessary to issue any new PDI licences.

INFORMATION

9. This paper is issued for Members' information.

**Environment, Transport and Works Bureau
June 2005**

Comparison of Number of PDI licences in 1999 and 2004

PDI Group	(A) Benchmark (As at 1 Nov 99)	(B) Average number of PDI licences in 2004 (July - Dec)	Difference (B)-(A)
1	1 050	887	163 (-16%)
2	130	106	24 (-19%)
3	230	203	27 (-12%)

Annex B

Market Demand for Driver Training in 1999 and 2004

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 2004 (July - Dec)	(D) Total number of test forms sold in 2004	Difference (D)-(B) (Demand)	Difference (C)-(A) (Supply)	PDI to test forms ratio in 1999 (A:B)	PDI to test forms ratio in 2004 (C:D)
1	1 050	113 438	887	93 352	20 086 (-18%)	163 (-16%)	1:108	1:105
2	130	11 310	106	8 342	2 968 (-26%)	24 (-19%)	1:87	1:79
3	230	12 034	203	9 686	2 348 (-20%)	27 (-12%)	1:52	1:48