

A. Introduction

The Audit Commission (“Audit”) conducted a review to examine the licensing services for drivers provided by the Transport Department (“TD”) with a view to identifying areas for improvement, and its findings and observations are set out in the Director of Audit’s Report No. 78 (“the Audit Report”). A related review was conducted by Audit in October 2007.

Background

2. TD is the authority for administering the Road Traffic Ordinance (Cap. 374) and legislation for the management of road traffic, regulation of public transport services and operation of major transport infrastructures. The main areas of work of TD relating to the licensing of drivers include: (a) arranging written and road tests; (b) monitoring the operation of designated driving schools (“DDSs”), driving improvement schools and pre-service training schools; and (c) issuing licences for private driving instructors (“PDIs”).

3. The Committee held a public hearing on 13 December 2022 to receive evidence. Opening statement made by **Mr LIU Chun-san, Acting Secretary for Transport and Logistics** at the beginning of the hearing is in *Appendix 5*.

Road traffic accidents involving drivers holding probationary driving licences

4. Referring to paragraph 1.3 of the Audit Report that one of the major contributory factors of road traffic accidents in Hong Kong was driver related, to better understand the work of TD regarding the provision of licensing services, the Committee sought information on details of road traffic accidents involving drivers holding probationary driving licences for different classes of non-commercial vehicles (i.e. private cars, light goods vehicles and motor cycles) in the past years. Concerns were also raised about the driving safety of motorcyclists as quite a number of them were involved in food delivery businesses in recent years.

5. **Secretary for Transport and Logistics** provided in his letter dated 13 January 2023 (*Appendix 6*) the relevant statistics and the major driver contributory factors of road traffic accidents involving probationary driving licence holders of private cars and motor cycles from 2017 to 2021.

Hours of driving training received by candidates before taking road tests

6. According to paragraph 1.7 of the Audit Report, TD recommended candidates without any driving experience to have at least 30 hours of driving training before taking road tests. The Committee asked about the number of hours of driving training received by candidates before they took road tests and the respective passing rates in the past years. The Committee considered that candidates who had received sufficient training tended to be able to better cope with road tests. TD should study the connection between driving training hours received by candidates and their passing rates so as to review if measures should be taken to ensure that candidates had to receive sufficient driving training before they took road tests to enhance road safety.

7. **Miss Rosanna LAW Shuk-pui, Commissioner for Transport** said at the public hearing, and **Secretary for Transport and Logistics** advised in his letter dated 13 January 2023 (*Appendix 6*) that at present, there was no legal requirement on the minimum hours of driving training. The Guide to Driving Test published by TD merely suggested that beginners should receive 30 hours or more on-street training for meeting the basic driving standard. In 2018-2019, TD conducted an anonymous questionnaire survey at 17 driving test centres (“DTCs”). According to the survey result, first-attempt candidates applying for private car and light goods vehicle road tests received an average of about 22 and 23 hours of training from PDIs respectively. TD had planned, starting from the second quarter of 2023, to collect information from candidates regarding the driving instructors providing training to them, the number of training hours taken, etc. when they attended road tests. TD would regularly analyze the relevant statistics to understand the passing rates of candidates receiving different hours of training. Subject to the analysis results and trend, TD would review the relevant measures if necessary. Meanwhile, TD would continue to remind candidates to receive sufficient training before taking road tests through the driving instructor trade and stepping up publicity.

B. Provision of driving test services

Question banks for written tests

8. According to paragraphs 2.4 to 2.5 of the Audit Report, the question bank for the written test for non-commercial vehicles and Part C of the written test for taxi was based on the prevailing version of the Road Users’ Code (“RUC”)¹. While the latest

¹ According to section 109(2) and (6) of the Road Traffic Ordinance (Cap. 374), any alterations of RUC shall be deemed to be subsidiary legislation.

update of the questions in the question bank for the written test was made in September 2020, the previous update was made in August 2000. RUC was last updated in June 2020. The previous update before that was May 2000. During that period (from May 2000 to June 2020), new traffic regulations were enacted, and a number of amendments were made to legislation concerning road safety. However, these changes had not been included in the written test until September 2020. The Committee asked about the reasons why RUC had not been updated for 20 years and the remedial measures taken by TD to ensure that the affected driving licence holders were well acquainted with the changes in road safety legislation.

9. **Commissioner for Transport** said at the public hearing, and **Secretary for Transport and Logistics** advised in his letter dated 13 January 2023 (*Appendix 6*) that although there was no specific timetable for updating RUC, as the Government would amend legislations concerning road traffic from time to time, readers had been reminded at the bottom of the front page of RUC that parts of RUC might no longer be applicable and the prevailing legislation took precedence. Besides, the amendments to ordinances and regulations relevant to road traffic, as well as any new information, had been disseminated to the public through various means. The Government would conduct publicity and educational programmes to road users when there were any additions or amendments to the legislation to enhance their awareness. At the same time, information would be disseminated to the motor vehicle and transport trades, schools and other stakeholders. The Government would also provide the latest legislation and relevant details through the websites of the Government or TD. To facilitate the candidates, TD had planned to launch a new webpage in the second half of 2023 to provide updates on the “Scope of Written Test Questions”, which would cover RUC and any new legislation related to road traffic. TD would enhance the publicity and provide relevant information particularly to the candidates to ensure that they were aware of the latest scope of the written test which would be updated from time to time. Besides, TD would review the contents of RUC as appropriate. At the request of the Committee, a list of the major additions or alternations to road safety related legislation during the said 20-year period was provided in *Appendix 6*.

Road tests for non-commercial vehicles

Performance pledge for conducting road tests

10. According to paragraph 2.7(b) of the Audit Report, prior to 2016, TD had pledged to conduct 95% of road tests for non-commercial vehicles within 82 days upon application for the respective vehicle driving licences. Starting from 2016,

TD removed the pledge as it was likely that the demand for road tests for non-commercial vehicles would continue to increase and TD's ability to provide the service would continue to be constrained by the limited number of DTCs available. The Committee considered that TD should draw up a performance pledge for conducting road tests for public reference.

11. **Commissioner for Transport** said at the public hearing, and **Secretary for Transport and Logistics** advised in his letter dated 13 January 2023 (*Appendix 6*) that TD noticed that there had been a continuous increase in the demand for road test services from the public and had announced in the webpage the waiting days for the road tests of various types of vehicles. Following the implementation of various measures to increase the road test output as mentioned in paragraph 13 below and completion of filling Driving Examiner ("DE") grade vacancies in 2023, TD would review the situation in 2024 and explore drawing up a target for non-commercial vehicle road test, i.e. the number of waiting days required for arranging road tests upon receiving applications.

Increase of road test output

12. Referring to paragraph 2.8 and Table 5 of the Audit Report, the Committee noted with concern that from 31 December 2015 to 31 December 2021, the waiting time for new candidates and repeaters applying for road tests for non-commercial vehicles had increased significantly.²

13. **Commissioner for Transport** said at the public hearing, and **Secretary for Transport and Logistics** advised in his letter dated 13 January 2023 (*Appendix 6*) that the number of applications for road test had increased by 73% as a whole over the past 10 years (i.e. from 122 554 applications in 2012 to 211 798 applications in 2021). Besides, during the epidemic, to tie in with the Government's anti-epidemic and social distancing measures, the driving test services had been intermittently suspended for five times. The waiting time for various driving tests was affected after each resumption of services. In the meantime, TD had striven to deploy resources for arranging make-up tests for the affected candidates. TD had all along been taking measures to increase road test output, including increasing the manpower (such as regular recruitment of DEs and engagement of retired DEs), improving the efficiency and workflow for operations, etc. In order to further increase the output of road tests,

² For example, the waiting time for the practical road test of motor cycle in Government test centres in Hong Kong Region had increased by 284% from 67 days to 257 days during the period.

TD would make use of technology and arrange DEs to perform additional duties under practicable circumstances as follows:

- making use of technology — TD had fully launched electronic road test since end-June 2022. With its implementation, TD would utilize the time saved to provide around 190 additional road tests at three DTCs per month. The measure was planned to be introduced in March 2023; and
- arranging DEs to perform additional duty — TD would further arrange DEs to take up additional work on Saturdays. It was expected that around 830 road tests could be provided per month (i.e. about 208 road tests per Saturday), with around 5 000 tests over a six-month period. The measure was planned to be introduced in March 2023.

14. In response to the Committee's enquiry about the reasons for the significant increase of waiting time of road tests for non-commercial vehicles in the DTCs in Hong Kong Region since 31 December 2015 as reflected in paragraph 2.8 and Table 5 of the Audit Report, **Commissioner for Transport** explained at the public hearing, and **Secretary for Transport and Logistics** advised in his letter dated 13 January 2023 (*Appendix 6*) that Happy Valley DTC was the major test centre for non-school and non-commercial vehicles in the Hong Kong Region. Given the heavy traffic in the vicinity of Happy Valley DTC, there was a need to strike a balance between conducting road tests and addressing the needs of nearby residents. TD had suitably adjusted the road test arrangement in recent years by scheduling road tests three days a week to ease the traffic in the nearby area. This had affected the waiting time in the Hong Kong Region. In addition, as the waiting time in the Hong Kong Region had all along been shorter than that in the New Territories/Kowloon Region in the past, some candidates, who originally planned to opt for the New Territories/Kowloon Region, would shift to the Hong Kong Region when the overall waiting time increased due to the growing test demand. It had led to a more significant increase in the waiting time in the Hong Kong Region.

15. The Committee was of the view that TD should on one hand devise measures to expedite the arrangement of road tests for non-commercial vehicles for new candidates and repeaters to alleviate the problem of excessively long waiting time, and on the other hand identify suitable sites which were relatively far away from residential areas for conducting road tests. There were views that TD should try to think out of the box to eliminate the bottleneck problem, such as introducing a paid service for early test appointments or a fast-track mechanism to facilitate candidates in

need, and requiring candidates who had got borderline fail in road test to undertake extra on-street training instead of re-taking road test again.

16. **Commissioner for Transport** said at the public hearing, and **Secretary for Transport and Logistics** advised in his letter dated 13 January 2023 (*Appendix 6*) that TD had spared no effort in identifying suitable sites in the territory for setting up additional and wider-distributed DTCs with a view to increasing road test output. TD had planned to develop a joint-user complex in Chai Wan to provide driving training and road test services for non-commercial vehicles. TD would continue with the relevant site identification work and proactively consider any sites suitable for setting up DTCs in any regions. Meanwhile, TD already had a mechanism to handle applications for early test from candidates with special needs at present. TD would approve each case on individual merits after the candidates had submitted sufficient document proof. To ensure road safety, TD considered that it was necessary to maintain the existing requirement that candidates had to pass the relevant road test before they could be issued a driving licence.

Utilization rate of DTCs

17. Referring to paragraph 2.9 and Table 6 of the Audit Report, the Committee noted with concern that from 2015 to 2019, for the 13 DTCs providing road tests for non-commercial vehicles, the number of DTCs failing to achieve utilization rate of more than 80% increased from five in 2015 to seven in 2019.

18. **Commissioner for Transport** explained at the public hearing, and **Secretary for Transport and Logistics** advised in his letter dated 13 January 2023 (*Appendix 6*) that the two test centres with utilization rates lowered to below 80% were Happy Valley DTC (68.3%) and Pui Ching Road DTC (75.2%). TD had gradually adjusted the opening days of Happy Valley DTC to three days a week since 2016 having considered the heavy traffic in Happy Valley area. In 2019, TD suspended road tests at Pui Ching Road DTC for one month to use the DTC as the venue for DE II recruitment road test. Therefore, the utilization rates of the two centres were lower than 80% in 2019. In fact, the number of operation days of DTCs was affected by a host of factors, including:

- manpower of DEs — TD would need to arrange daily opening of DTCs subject to the manpower arrangement of DEs;

- traffic conditions of individual test centres — TD had to consider the traffic conditions of individual test centres, especially in areas with heavy traffic. In general, road tests would be conducted outside the peak hours in the morning and afternoon;
- special arrangements for individual test centres — as mentioned above, Pui Ching Road DTC was used as the venue for DE II recruitment road tests, and thus the centre had to be temporarily closed during the period; and
- road test demand for various types of vehicles — road tests for different vehicle types would be held at the corresponding DTCs. TD would arrange the number of road tests to be held at different DTCs according to the demand and waiting time situation for each vehicle type.

Duty reporting arrangement for DEs and DTC Officers

19. Referring to paragraph 2.11 of the Audit Report, the Committee expressed disappointment that TD had not adopted the recommendations of the review conducted in 2019³ to streamline the duty reporting arrangement for DEs and DTC Officers⁴ who were still required to report for duty at the Pui Ching Road Office in the morning of every working day to be assigned to perform driving test duties at various DTCs in the territory by random computer balloting, and to return to the Pui Ching Road Office after work. The Committee considered that such arrangement had led to DEs spending unnecessary travelling time which, in turn, had reduced the overall productivity of DEs. As a result, despite the number of DEs responsible for conducting road tests for non-commercial vehicles had increased by 22% from 51 in 2019 to 62 in 2021, the waiting time for road tests had further deteriorated.⁵

³ In 2019, TD carried out a review on the reporting arrangement of DEs and DTC Officers to consider whether they should be allowed to travel directly from home to DTCs assigned by balloting. The result indicated that while the arrangement might be able to increase about 5 500 road tests per year, there were a number of issues that needed to be considered. Having balanced all factors, TD considered that the prevailing reporting arrangements should be maintained.

⁴ Each DTC is assigned with a DTC Officer filled by a clerical staff.

⁵ For the period from 2015 to 2021, percentage increase of waiting time for road tests for private cars and motor cycles ranged from 30% to 284% at different DTCs.

20. **Commissioner for Transport** explained at the public hearing, and **Secretary for Transport and Logistics** advised in his letter dated 13 January 2023 (*Appendix 6*) that the current arrangement of assigning DEs to perform road test duties at various DTCs in the territory by random computer balloting could prevent DEs from knowing in advance at which DTCs they would carry out their duties on the day, and reduced the chance of bribery before commencement of road tests. Apart from the balloting, DEs and DTC Officers normally travelled together in the same vehicles to the assigned DTCs. Such arrangement, to a certain extent, assisted monitoring and reduced the chance of bribery before commencement of road tests. TD was of the view that maintaining a fair, impartial and corruption-free test system was of utmost importance and it had the responsibility to explore all possible means to reduce the potential risks of bribery among the staff. In this connection, the Independent Commission Against Corruption (“ICAC”) conducted corruption prevention studies on the management of the driving test services in 2001 and 2021, and concluded that the random assignment of DEs arranged by TD was an effective corruption prevention measure.

21. **Commissioner for Transport** also explained at the public hearing, and **Secretary for Transport and Logistics** advised in his letter dated 13 January 2023 (*Appendix 6*) that DTC Officers and most DEs were still required to return to the Pui Ching Road Office upon completion of their work after TD had fully launched the electronic road test form in June 2022 due to the following reasons:

- for security reasons, DTC Officers needed to pick up and return the keys of the 17 DTCs (including two mobile DTCs) from/to the Pui Ching Road office every day. In addition, DTC Officers were required to deliver various documents received from candidates to the Pui Ching Road Office for further processing;
- DEs, who were assigned to conduct motor cycle road tests or to work at mobile DTCs, were required to obtain the relevant gear and equipment, including helmets, motor cycles, mobile test vehicles, etc., from the Pui Ching Road Office. They were also required to return to the Pui Ching Road Office the relevant gear and equipment upon completion of their work; and
- at present, tablets were distributed to DEs for conducting road tests at the Pui Ching Road Office every day. For security reasons, all tablets were centrally stored and managed in the Pui Ching Road Office.

22. The Committee questioned whether the current arrangement of grouping DEs and DTC Officers together to travel to the assigned DTCs could effectively prevent bribery and corruption as a DE intended to commit such crime could easily alert parties concerned by sending out electronic messages with his mobile phone, as well as the management efficiency and cost-effectiveness of the current duty reporting arrangement for DEs and DTC Officers. The Committee considered that TD should review the assessment and conclusion made in 2019, and reassess viability of the proposal to streamline their duty reporting arrangement so that the travelling time saved could be used for conducting more road tests. At the same time, TD should also review the manpower situation and recruitment requirements of the DE grade so as to expedite the recruitment of such grade to meet the urgent need for road tests.

23. **Commissioner for Transport** said at the public hearing, and **Secretary for Transport and Logistics** advised in his letter dated 13 January 2023 (*Appendix 6*) that TD would work with ICAC to review the reporting arrangement of DEs in the first quarter of 2023, with a view to increasing road test output while ensuring a fair, impartial and corruption-free test system. The review was expected to be completed in mid-2023. In this connection, TD was requested to provide a paper to report the outcome of the review with ICAC to the Committee in due course. At the request of the Committee, **Secretary for Transport and Logistics** also provided in *Appendix 6* information on details of manpower situation of DEs and entry requirements of DE II who were mainly responsible for conducting road tests for non-commercial vehicles.

C. Management of driving training schools

Tendering process for DDSs

24. The Committee expressed concern on the current situation that all the four DDSs⁶ in Hong Kong were operating under the same group of private companies which might give rise to monopoly. The Committee considered that TD should establish a more competitive tendering process for DDSs and review the assessment criteria for awarding tenders for DDSs to operate on Government short term tenancy sites by taking into consideration different factors including the contractors' past performance in operating DDSs, instead of adopting the highest bidder approach.

⁶ According to note 2 to paragraph 1.7 of the Audit Report, as at 31 January 2022, there were four DDSs in Hong Kong, which were situated in Shatin, Yuen Long, Ap Lei Chau and Kwun Tong respectively. The four DDSs were operating under the same group of private companies.

25. **Commissioner for Transport** said at the public hearing, and **Secretary for Transport and Logistics** advised in his letter dated 13 January 2023 (*Appendix 6*) that to establish a more competitive tendering process for DDSs, TD consulted the Competition Commission (“CC”) in November 2019 to review the tender evaluation mechanism for DDSs. CC recommended that TD should:

- use a marking scheme instead of the previous highest bidder approach under the Abbreviated Tender System for tender evaluation, and continue to arrange re-tendering of sites for DDSs on a regular basis;
- minimize the entry barrier of tenderers (including removing the minimum requirement of previous experience in operating driving schools and accepting tenderers from overseas); and
- incorporate the element of assessing course fees into the assessment criteria.

26. TD accepted CC’s recommendations and started to adopt a marking scheme in the tender exercise for the Ap Lei Chau driving school in July 2020. Under the marking scheme, technical assessment and rental proposal each carried a weighting of 50% of the overall score to take into account both the learner drivers’ demand for driver training service and the interests of relevant stakeholders. Moreover, tenderers had to meet the following essential requirements:

- undertook to accord priority to employ the restricted driving instructors (“RDIs”)⁷ of the existing DDSs with employment terms not worse than the current offer; and
- key personnel of the driving school had to meet the minimum requirements of academic qualification and working experience stipulated in the tender document.

27. At the request of the Committee, **Secretary for Transport and Logistics** provided in his letter dated 13 January 2023 (*Appendix 6*) details of the related marking scheme and the planned timeframe for the next tender exercises for the four DTCs.

⁷ According to TD, RDIs are employed by organizations (e.g. DDSs) and issued with driving instructors’ licences that are subject to a condition that they shall only give driving instruction on behalf of a driving school or other organizations.

Designation of the New Kwun Tong Driving School (“the Driving School”)

28. According to Note 15 to paragraph 3.3 of the Audit Report, the tendering exercises for DDSs set up on Government short term tenancy sites were conducted by TD in collaboration with the Lands Department (“LandsD”). While TD was responsible for drawing up the tender terms and basic requirements in relation to the operation of driving schools, LandsD was responsible for preparing the tender terms and the tenancy agreement in relation to land administration. Referring to paragraph 3.5(c) of the Audit Report, the Committee noted with concern that while the Driving School had fully commenced its operation since November 2019, it was not until June 2020 that TD had become aware that the Driving School had yet to obtain the temporary occupation permits from the Buildings Department (“BD”). The Committee enquired whether the requirement of obtaining occupation permits from BD was stipulated in the relevant tender terms and tenancy agreement, as well as the measures in place by different departments to prevent occurrence of similar incidents.

29. **Commissioner for Transport** said at the public hearing, and **Secretary for Transport and Logistics** advised in his letter dated 13 January 2023 (*Appendix 6*) that it was stated in the terms of short term tenancy agreements of the Driving School that buildings or structures to be erected at the sites should comply with the Buildings Ordinance (Cap. 123), any regulations made thereunder and any relevant amendment legislation. To prevent similar incidents from happening again, TD issued a set of internal guidelines in September 2021, which set out clear procedures and requirements for the designation of driving schools so as to strengthen the monitoring of proprietors’ implementation of key preparatory and gearing-up tasks (including checking whether an occupation permit was obtained). The guideline stated that if the original successful tenderer obviously failed to fulfil his commitments made in the tender proposal, TD would consider requesting LandsD to terminate the tenancy. In addition, for the future designation of driving schools, TD and LandsD would explicitly incorporate the requirement of obtaining occupation permit before the opening and operation of the school in the Code of Practice and the tenancy agreement respectively.

D. Licensing control of private driving instructors

Mechanism for issuing Group 1 PDI licences

30. According to paragraph 4.3(c) of the Audit Report, taking into account the valid number of and the new benchmark for Group 1 (Private Cars and Light Goods

Vehicles) PDI licences, 226 new licences were issued. In order to utilize the driving competence and training experience of Group 2 (Light Buses and Buses) and Group 3 (Medium Goods Vehicles, Heavy Goods Vehicles and Articulated Vehicles) PDIs as well as RDIs while encouraging new blood to join the trade, TD proposed refining the issuing mechanism by allocating 75% of the 226 new Group 1 PDI licences to eligible members of the public by open application and allocating the remaining 25% for application by valid licence holders of Group 2 and Group 3 PDI licences, as well as serving and ex-RDIs. The Committee asked about the TD's rationale for setting such mechanism for issuing Group 1 PDI licences, instead of leaving the market to determine according to the demand and supply.

31. **Commissioner for Transport** said at the public hearing, and **Secretary for Transport and Logistics** advised in his letter dated 13 January 2023 (*Appendix 6*) that TD reached a consensus with the PDI trade in 1999 that the number of valid PDI licences prevailing at that time for the three groups would be used as the benchmarks for subsequent reviews. The Commissioner for Transport might consider issuing new PDI licences for a particular group when the number of respective valid licences fell below the benchmark by 10%. In 2018, TD conducted a comprehensive review on PDI licences. Having considered the policy adopted then for driver training, prevailing traffic conditions, and the demand for learner drivers to receive driving instructions from PDIs, and after consultation with the trade and stakeholders, it was decided to raise the benchmark for Group 1 PDI licences from 1 050 to 1 170, and to issue 226 Group 1 new PDI licences by two stages. TD had also refined the issuing mechanism for PDI licences, proposing to allocate 75% (i.e. 169) of the 226 new Group 1 PDI licences to eligible members of the public by open application, after taking into account the aspiration of the public to join the profession while the majority of new licences would be allotted to eligible members of public. In the meantime, it was also decided to allocate 25% (i.e. 57) of the new licences for application by PDIs, as well as serving and ex-RDIs of DDSs and franchised bus companies, in order to make good use of their training experience.

32. At the request of the Committee, **Secretary for Transport and Logistics** provided in his letter dated 13 January 2023 (*Appendix 6*) the number of applications received for the 226 new Group 1 PDI licences, with a detailed breakdown of the numbers of applications made by members of the public, holders of Group 2 and Group 3 PDI licences, as well as serving and ex-RDIs.

Monitoring of PDIs

33. According to paragraph 4.6 of the Audit Report, of the 1 048, 116 and 181 Group 1, Group 2 and Group 3 PDIs as at 31 May 2021, 333 (32%), 83 (72%) and 123 (68%) respectively did not offer any driver training in 2020. Furthermore, of those inactive PDIs, 210 (63%), 58 (70%) and 73 (59%) respectively were found by Audit to be inactive in TD's previous two estimations conducted in 2016 and 2018. The Committee enquired about the factors and basis for determining whether a PDI was active or inactive, and whether TD had assessed if there was a proper supply of PDIs in the market.

34. **Commissioner for Transport** said at the public hearing, and **Secretary for Transport and Logistics** advised in his letter dated 13 January 2023 (*Appendix 6*) that whether a PDI provided driving training or not was affected by a host of factors which included individual career development, family arrangement, and health conditions, etc. There was no clear and widely accepted definition to determine whether a PDI was active or inactive. In TD's previous comprehensive review on PDI licences, it was assumed that a PDI who had not accompanied any learner drivers to attend road test within a year was inactive. When reviewing the benchmark of valid PDI licences, TD had taken into account the number of inactive PDIs to ensure sufficient PDIs were available in the market to provide driving training to the public. To help monitor the situation of inactive PDIs, TD had introduced PDI identity plate and refresher course in 2022. TD had also planned, starting from the second quarter of 2023, to collect information from candidates regarding the PDIs providing training to them, the number of training hours taken, etc. when attending driving road tests, with a view to enhancing the monitoring on the situation of inactive PDIs and verifying the eligibility of PDIs providing training. The Committee noted that TD had not received any complaints from the public regarding insufficient PDIs in the past five years.

35. According to paragraphs 4.15 and 4.16 and Table 10 of the Audit Report, DEs of TD might conduct roving inspections of PDIs with a view to assessing the standard of PDIs and their methods adopted for giving driving instruction. The Committee noted that the annual numbers of roving inspections conducted by TD fluctuated significantly, ranging from 0 in 2016 to 175 in 2021, and asked about the reasons for the fluctuation in the numbers of roving inspections conducted by TD.

36. **Commissioner for Transport** said at the public hearing, and **Secretary for Transport and Logistics** advised in his letter dated 13 January 2023 (*Appendix 6*) that with the creation of two designated DE I posts in June 2021 for monitoring PDIs, TD

strengthened the number of roving inspections and thus there had been a considerable increase in the number of inspections when compared to those of previous years. TD had promulgated the guidelines for roving inspection in 2021 which clearly set out the requirements and procedures of roving inspection. TD would continue to strengthen the number of roving inspections in 2023, with a target of having each active PDI inspected once every two to three years.

E. Conclusions and recommendations

Overall comments

37. The Committee:

- stresses that one of the major contributory factors of road traffic accidents in Hong Kong is driver-related. Driving training and driving tests can equip drivers with the necessary knowledge, skills and requirements in driving attitude and driving responsibility. It is incumbent upon TD to deliver reliable and efficient licensing services for drivers through enhancing the provision of driving test services, management of driving training schools and monitoring of PDIs;

Provision of driving test services

Written tests

- expresses serious concern that while the latest update of the questions in the question bank for the written test for non-commercial vehicles and Part C of the written test for taxi was made in September 2020, the previous update was already made some 20 years ago in August 2000. As a result, the changes in road safety legislation over the years were not reflected in the written tests for many years before September 2020;
- strongly urges that TD should:
 - (a) devise a mechanism for regular and timely updating of questions in the question banks for driving written tests;
 - (b) take remedial measures to ensure that the affected driving licence holders are well acquainted with the changes in road safety legislation; and

- (c) enhance the publicity and provide relevant information particularly to the candidates for written tests to ensure that they are aware of the latest scope of the written tests;

Road tests for non-commercial vehicles

- expresses serious concern and finds it unacceptable that:
 - (a) as at 31 December of 2015 to 2021, the waiting time for new candidates and repeaters applying for road tests for non-commercial vehicles had increased significantly; and
 - (b) from 2015 to 2019, for the 13 DTCs providing road tests for non-commercial vehicles, the number of DTCs failing to achieve utilization rate of more than 80% increased from five in 2015 to seven in 2019;
- expresses disappointment that TD has not adopted the recommendations of the review conducted in 2019 to streamline the duty reporting arrangement for DEs and DTC Officers who are still required to report for duty at the Pui Ching Road Office in the morning of every working day to be assigned to perform road test duties at various DTCs in the territory by random computer balloting, and to return to the Pui Ching Road Office after work. The arrangement has led to DEs spending unnecessary travelling time which, in turn, has reduced the overall productivity of DEs. As a result, despite the number of DEs responsible for conducting road tests for non-commercial vehicles has increased by 22% from 51 in 2019 to 62 in 2021, the waiting time for road tests has further deteriorated;
- strongly urges that TD should:
 - (a) devise measures to expedite the arrangement of road tests for non-commercial vehicles for new candidates and repeaters to eliminate the bottleneck, and regularly review the effectiveness of such measures;
 - (b) identify suitable sites which are relatively far away from residential areas for conducting road tests for non-commercial vehicles;

- (c) review the assessment and conclusion made in 2019 regarding the duty reporting arrangement for DEs and DTC Officers, and reassess viability of the proposal to streamline their duty reporting arrangement so that the travelling time saved can be used for conducting more road tests;
 - (d) reassess whether the current arrangement of grouping DEs and DTC Officers together to travel to the assigned DTCs can effectively prevent bribery and corruption;
 - (e) review the manpower situation and recruitment requirements of the DE grade and expedite the recruitment of such grade to meet the urgent need for road tests; and
 - (f) consider reinstating the performance pledge for conducting road tests for non-commercial vehicles removed by TD in 2016, and drawing up a new performance pledge for public reference;
- notes that to increase the road test output, TD:
- (a) has planned to develop a joint-user complex in Chai Wan to provide driving training and road test services for non-commercial vehicles;
 - (b) will work with ICAC to review the reporting arrangement of DEs with a view to increasing road test output while ensuring a fair, impartial and corruption-free test system;
 - (c) will increase the manpower of DEs by regular recruitment of new DEs and engagement of retired DEs;
 - (d) will further arrange DEs to take up additional work on Saturdays. It is expected that around 830 road tests could be provided per month (i.e. about 208 road tests per Saturday), with around 5 000 tests over a six-month period;
 - (e) will utilize the time saved as a result of the launch of electronic road test since end-June 2022 to provide around 190 additional road tests at three non-commercial DTCs per month; and
 - (f) will explore drawing up a target for non-commercial vehicle road tests (i.e. the number of waiting days required for arranging road tests upon receiving applications) following the implementation of

the above measures and completion of the filling of DE grade vacancies in 2023;

- requests TD to provide a paper to report the outcome of the review with ICAC in due course;
- observes that:
 - (a) at present, there is no legal requirement on the minimum hours of driving training. The Guide to Driving Test published by TD merely suggests that beginners should receive 30 hours or more on-street training for meeting the basic driving standard; and
 - (b) in 2018-2019, TD conducted an anonymous questionnaire survey at 17 DTCs. According to the survey result, first-attempt candidates applying for private car and light goods vehicle road tests received an average of about 22 and 23 hours of training from PDIs respectively;
- strongly recommends that TD should:
 - (a) expedite its plan to collect information from candidates regarding the number of training hours taken when they attend road tests, and based on this information to study the connection between training hours and passing rates and review if measures should be taken to ensure that candidates receive sufficient driving training before they take road tests; and
 - (b) remind candidates to receive sufficient training before taking road tests through the driving instructor trade and stepping up publicity;

Management of driving training schools

- expresses serious concern on the current situation that all the four DDSs are operating under the same group of private companies;
- strongly urges to establish a more competitive tendering process for DDSs. TD should review the assessment criteria for awarding tenders for DDSs to operate on Government short term tenancy sites by taking into consideration different factors including the contractors' past performance in operating DDSs, instead of adopting the highest bidder approach;

- notes that:
 - (a) TD consulted CC in November 2019 to review the tender evaluation mechanism for DDSs; and
 - (b) TD accepted CC's recommendations and adopted a new marking scheme for awarding tenders since July 2020, under which technical assessment and rental proposal each carried a weighting of 50% of the overall score;

Licensing control of PDIs

- expresses concern that as at 31 May 2021, of the 1,048, 116 and 181 PDIs in Group 1 (Private Cars and Light Goods Vehicles), Group 2 (Light Buses and Buses) and Group 3 (Medium Goods Vehicles, Heavy Goods Vehicles and Articulated Vehicles) respectively, 333 (32%), 83 (72%) and 123 (68%) of the PDIs did not offer any driver training in 2020. As revealed by Audit, 210 (63%), 58 (70%) and 73 (59%) of those inactive PDIs of the three Groups were also found to be inactive in TD's previous two estimations conducted in 2016 and 2018;
- urges that TD should:
 - (a) devise a clear and widely accepted definition for determining whether a PDI is active or inactive; and
 - (b) closely monitor percentages of inactive PDIs in the three Groups and take appropriate measures to address the inactive PDI issue if necessary;
- notes that TD has:
 - (a) introduced PDI identity plate and mandatory refresher course in 2022 to help monitor the situation of inactive PDIs;
 - (b) planned to collect information from candidates regarding the PDIs providing training to them, the number of training hours taken, etc. when they attend road tests, with a view to enhancing the monitoring of the situation of inactive PDIs; and
 - (c) not received any complaints from the public regarding insufficient PDIs in the past five years;

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- expresses concern that in order to utilize the driving and training experience of Group 2 and Group 3 PDIs as well as RDIs while encouraging members of the public to join the trade, TD has proposed refining the issuing mechanism of PDI licences by allocating 75% of the new Group 1 PDI licences to eligible members of the public by open application and allocating the remaining 25% for application by valid licence holders of Group 2 and Group 3 PDI licences, as well as serving and ex-RDIs;
 - recommends that TD should review if the mechanism of allocating 25% of the new Group 1 PDI licences to existing driving instructors as mentioned above is reasonable and fair to members of the public;
 - expresses concern that from 2015 to 2021, the annual numbers of roving inspections on PDIs conducted by TD fluctuated significantly, ranging from 0 in 2016 to 175 in 2021. Furthermore, prior to 2021, all the roving inspections were conducted for Group 1 PDIs. Of the 158 PDIs covered by the roving inspections conducted in 2021, 133, 12 and 13 inspections were targeted at Group 1, Group 2 and Group 3 PDIs respectively, representing only 19%, 36% and 22% of the active PDIs as at 31 May 2021; and
 - notes that TD has promulgated the guidelines for roving inspection on PDIs in 2021 which clearly sets out the requirements and procedures of roving inspections.

Specific comments

38. The Committee:

- expresses serious concern that there were irregularities in the process of the Driving School set up on a Government short term tenancy site in 2019, as evidenced by the following:
 - (a) there were delays in completing some of the key preparatory and gearing up tasks and activities (e.g. site formation and construction), and the commencement of full operation of the Driving School, ranging from 48 to 136 days;

- (b) despite the fact that the construction works of the Driving School had not yet been fully completed, TD granted designation to the Driving School in August 2019 and approved its provision of off-street training at the School in November 2019; and
 - (c) while the Driving School had fully commenced its operation since November 2019, it was not until 4 June 2020 that TD had learned from the proprietor that the Driving School had yet to obtain the temporary occupation permits from BD. While the temporary occupation permits for the sites of the first phase and second phase were subsequently issued by BD on 12 June 2020 and 7 December 2020 respectively, conducting driving training by the proprietor and providing road test services by TD at the Driving School before obtaining the temporary occupation permits were in breach of the Buildings Ordinance (Cap. 123);
- strongly urges that TD should draw lessons from the designation of the Driving School with a view to improving the process of designation of new driving schools, including strengthening the monitoring of proprietors' implementation of key preparatory and gearing-up tasks and activities, and commencement of driving schools in accordance with the undertaking as set out in tender submissions and tenancy agreements, as well as incorporating in future tenancy agreements the requirement on proprietors to obtain occupation permits from BD before the opening and commencement of operation of the driving schools;
 - expresses concern that in the period from the respective effective dates of the current inspection guidelines for DDSs and designated driving improvement schools ("DDISs"), i.e. October 2018 and July 2020 respectively to October 2021, the required frequencies of inspections stipulated in TD's inspection guidelines were not met, as detailed in the following:
 - (a) all the four DDSs were not inspected, on average, on a bi-monthly basis (ranging from 2.12 to 2.61 months). Of the 57 inspections conducted for the four schools in the period, the intervals between inspections in 35 (61%) inspections ranged from 2.01 to 6.13 months; and
 - (b) for the four DDISs, one (25%) had not been inspected, on average, on a bi-monthly basis (i.e. 2.23 months). Of the seven inspections conducted for this school, four (57%) inspections were not

conducted at least once in every two months, with intervals between inspections ranging from 2.40 to 4.31 months;

- expresses concern that for the lists of course results submitted by DDISs in the period from November 2020 to October 2021, discrepancies were found, as evidenced by the following:
 - (a) in 8 (67%) of the 12 months, there were discrepancies between the aggregate number of participants as reported in the lists of course results and that reported in the monthly reports submitted by the schools. The monthly discrepancies ranged from 1 to 33 participants; and
 - (b) in three lists of course results submitted by two DDISs in February, April and June 2021 respectively, there were four participants who were recorded as having successfully completed the driving improvement course, with three Driving offence Points being deducted automatically by TD's computer system for three of them. While the four participants were recorded as having passed in the lists of course results, they were recorded as having failed in the corresponding student performance assessment forms; and
- notes that the Commissioner for Transport has agreed with Audit's recommendations in paragraphs 3.11 and 3.26 of the Audit Report.

Follow-up action

39. The Committee wishes to be kept informed of the progress made in implementing the various recommendations made by the Committee and Audit.