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**Transport and Logistics Bureau  
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本局檔號 Our Ref. TLB(TL) 3/7/29

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13 January 2023

Clerk to the Public Accounts Committee  
Legislative Council  
Legislative Council Complex  
1 Legislative Council Road,  
Central, Hong Kong

**By Email:** hhchan@legco.gov.hk

Dear Ms CHAN,

**Public Accounts Committee**  
**Consideration of the Director of Audit's Report no. 78**  
**Chapter 2 – Licensing Services for Drivers**

I refer to your letters dated 16 December and 19 December 2022 to the Secretary for Transport and Logistics concerning Chapter 2 of the captioned Director of Audit's Report, inviting us to provide information on the issues in relation to the captioned subject. Our response is set out at Annex.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Tiffany Wong', written over a horizontal line.

( Tiffany WONG )

for Secretary for Transport and Logistics

Encl.

c.c. Secretary for Financial Services and the Treasury  
Director of Audit  
Commissioner for Transport  
Director of Buildings  
Director of Lands

**Report No. 78 of the Director of Audit – Chapter 2**  
**“Licensing services for drivers”**  
**Information for the Public Accounts Committee**

**Preamble**

The Government attaches great importance to the provision of driving test services, management of driving training schools and licensing control of private driving instructors (“PDIs”) with a view to maintaining an efficient driving training and testing system for promotion of road safety. The Government will continue to introduce measures to increase the driving test output, enhance the management of driving training schools and strengthen the monitoring of PDIs.

*Increase of driving test output*

2. The number of applications for road test has 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, the Transport Department (“TD”) had striven to deploy resources for arranging make-up tests for the affected candidates.

3. TD has all along been taking measures to increase driving test output, including increasing the manpower (such as regular recruitment of Driving Examiners (“DEs”) and engagement of retired DEs), improving the efficiency and workflow for operations, etc. In order to further increase the output of driving tests, TD will make use of technology and arrange DEs to perform additional duties under practicable circumstances:

- making use of technology — TD has fully launched electronic driving test since end-June 2022. With its implementation, TD will utilise the time saved to provide around 190 additional driving tests (for early tests appointments) at three non-commercial driving test centres (“DTCs”) per month. The measure is planned to be introduced in March 2023; and

- arranging DEs to perform additional duty — TD will further arrange DEs to take up additional work on Saturdays. It is expected that around 830 driving tests could be provided per month (i.e. about 208 driving tests per Saturday), with around 5 000 tests (for early tests appointments) over a six-month period. The measure is planned to be introduced in March 2023.

4. Moreover, to cope with the demand for driving test services, TD has spared no effort in identifying suitable sites in the territory for setting up additional and wider-distributed DTCs, with a view to increasing driving test output. TD has maintained close liaison with the relevant departments to seek for suitable sites for setting up DTCs. At present, TD has planned to develop a joint-user complex at the junction of Shing Tai Road and Sheung Mau Street in Chai Wan, in which three floors will be used for re-provisioning of the Ap Lei Chau Driving School and DTC, in order to provide driving training and driving test services for private cars, light goods vehicles and motor cycles.

#### *Management enhancement of the driving training schools*

5. TD has issued a set of internal guidelines in September 2021 which clearly set out the procedures and requirements for the designation of driving schools. TD will enhance the monitoring of the school operators' progress of preparatory tasks (including whether the occupation permit has been obtained) during the relevant tender and selection exercises for schools in future, and make sure that the schools have met all requirements before being designated by TD. In addition, for the future designated driving schools ("DDSs"), TD, together with the Lands Department ("LandsD"), will 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.

6. In order to monitor the operations of the driving training schools, TD will continue to conduct regular inspections in various driving training schools to ensure that their operations are in compliance with the Code of Practice. In addition, TD has strengthened the spot checking of the lists of course results submitted by the driving improvement schools. TD will also work with these schools to explore feasible measures with a view to streamlining and further digitalising the procedures of completing and submitting the lists of course results to ensure the results are in order.

### *Strengthening the monitoring on PDIs*

7. TD will continue to conduct regular reviews on PDI licences and closely monitor the situation of “inactive” PDIs, with a view to assessing the need for issuing new licences. TD had also introduced PDI identity plate and mandatory refresher course in 2022<sup>1</sup>. Some inactive PDIs may not renew their PDI licences given their failure to attend refresher course, or their unwillingness to display PDI identity plate. This will help monitor the situation of “inactive” PDIs. In the meantime, TD has planned, starting from Q2 of 2023, to collect information from candidates regarding the driving instructors providing training to them, the number of training hours taken, etc. when they attend driving road tests, with a view to enhancing the monitoring on the situation of inactive PDIs.

8. For effective monitoring of the training quality of PDIs, DEs will conduct regular and surprise roving inspections on PDIs. After creating two designated DE I posts in June 2021 for monitoring PDIs, the roving inspections concerned has been increased, with a current target of having each active PDI being inspected once in every two to three years. TD has also promulgated the guidelines for roving inspection, which clearly set out the requirements and procedures of roving inspection. Besides, starting from mid-2022, the time for conducting roving inspection has already been extended to cover all usual training hours including Saturdays, Sundays and public holidays.

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<sup>1</sup> It is stipulated in the Road Traffic (Driving Licences) (Amendment) Regulation 2021, which came into effect on 1 December 2021, that a PDI must display an identity plate inside the training vehicle when giving driving instruction. It also provides that all existing PDIs or restricted driving instructor (“RDIs”) licence holders in DDSs shall complete the refresher course once every three years (including passing the course end assessment) as a pre-requisite for renewal of their driving instructor licences.

## Responses to Questions

### Part 1: Introduction

#### Letter dated 16 December

*Question (a): According to paragraph 1.3 of the Audit Report, one of the major contributory factors in the road traffic accidents in Hong Kong is driver related. Please provide/advise:*

- (i) the number of traffic accidents in Hong Kong in each of the past five years, including a detailed breakdown of the number of accidents involving drivers holding probationary driving licences for different classes of non-commercial vehicles; and*
- (ii) whether TD has studied the causes of traffic accidents involving drivers holding probationary driving licences for different classes of non-commercial vehicles, and if so, the outcomes of the study; if not, whether the Administration will conduct this kind of study.*

*Information on accidents involving drivers holding probationary driving licences for non-commercial vehicles (Response to question (a))*

9. TD attaches great importance to road safety and has been closely monitoring the situation. The numbers of road traffic accidents in the past five years (from 2017 to 2021) are tabulated below:

<b>Year</b>	<b>Fatal</b>	<b>Serious</b>	<b>Slight</b>	<b>Total</b>
2017	104	2,070	13,551	15,725
2018	107	1,682	14,146	15,935
2019	107	1,831	14,164	16,102
2020	96	1,912	13,290	15,298
2021	94	1,824	15,913	17,831

10. The numbers of road traffic accidents involving probationary driving licence holders of private cars in the past five years (from 2017 to 2021) are tabulated below:

<b>Year</b>	<b>Fatal</b>	<b>Serious</b>	<b>Slight</b>	<b>Total</b>
2017	0	33	333	366
2018	3	27	309	339
2019	0	20	291	311
2020	1	33	284	318
2021	1	21	349	371
<b>Total</b>	<b>5</b>	<b>134</b>	<b>1,566</b>	<b>1,705</b>

11. The numbers of road traffic accidents involving probationary driving licence holders of motor cycle in the past five years (from 2017 to 2021) are tabulated below:

<b>Year</b>	<b>Fatal</b>	<b>Serious</b>	<b>Slight</b>	<b>Total</b>
2017	0	50	164	214
2018	1	21	159	181
2019	2	26	162	190
2020	1	41	195	237
2021	1	43	274	318
<b>Total</b>	<b>5</b>	<b>181</b>	<b>954</b>	<b>1,140</b>

12. In the above five-year period, for traffic accidents involving drivers holding probationary driving licences of private cars, the main driver contributory factors were “driving inattentively”, “driving too close to vehicle in front” and “careless lane changing”; while the main driver contributory factors involving drivers holding probationary driving licences of motor cycles were “lost control of vehicle”, “to avoid collision or otherwise: swerving/stopping suddenly” and “driving inattentively”.

***Question (b): According to paragraph 1.7 of the Audit Report, TD recommends learner drivers without any driving experience to have at least 30 hours of driving training before taking the driving tests. Please provide/advise:***

- (i) the statistics on the number of hours of driving training received by learner drivers before they took the driving tests and the respective passing rates in each of the past five years;***
- (ii) whether TD has assessed if the number of hours of driving training received by drivers of non-commercial vehicles holding probationary driving licences had any bearing on accidents***

*involving this group of drivers and whether trainings received by them were delivered by designated driving schools or PDIs; and*

- (iii) whether TD will formulate measures to ensure that learner drivers have to receive sufficient driving training before they take driving tests; if so, of the details; if not, the reasons for that.*

*Hours of driving training received by candidates (Response to question (b))*

13. At present, there is no legal requirement on the minimum hours of driving training. The Guide to Driving Test published by TD suggests that beginners should receive 30 hours or more on-street training for meeting the basic driving standard. According to DEs' observations, in general, candidates who have received sufficient training tend to be able to better cope with driving tests.

14. Given that there is currently no requirement for candidates to report their driving training hours, TD has no available information for analysis of the connection between training hours and passing rates. In 2018-19, 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 driving tests received an average of about 22 and 23 hours of training from PDIs respectively. TD will continue to remind learner drivers to receive sufficient training before taking driving tests through the driving instructor trade and stepping up publicity.

15. On the other hand, as learner drivers have different learning progress, they will adjust their driving training arrangement to suit their individual circumstances. If a mandatory requirement is set on the minimum hours of driving training, it is anticipated that there will be different views from various sectors in the society, and therefore thorough community discussion and consultation with different stakeholders are necessary.

16. TD has planned, starting from Q2 of 2023, to collect information from candidates regarding the driving instructors providing training to them, the number of training hours taken, etc. when they attend driving road tests. TD will regularly analyse the relevant statistics to understand the passing rates of candidates receiving different hours of training. Subject to the analysis results and trend, we will review the relevant measures if necessary.

***Question (c): With reference to paragraph 1.13(a) of the Audit Report, please advise what actions have the then Transport and Housing Bureau and the Transport and Logistics Bureau taken to oversee the work of TD in delivering licensing services for drivers through the provision of driving test services, management of driving training schools and licensing control of PDIs.***

*Overseeing the work of TD in driving training and driving test services by TLB  
(Response to question (c))*

17. The Government has all along adopted a “two-pronged” approach in respect of driving training policy, by promoting off-street driver training through the establishment of DDSs while maintaining a sufficient supply of PDIs for on-street driver training. The “two-pronged approach” provides a choice for learner drivers having regard to the prevailing traffic conditions in Hong Kong. In order to maintain an effective driving training and test system and to promote road safety, TLB all along attaches great importance to TD’s work in respect of management of driving training schools, operation of PDI licensing mechanism, and provision of driving test services, etc., such as requiring TD to conduct regular review on PDI licences and report the review results to the Panel on Transport of the Legislative Council. TLB would also conduct necessary policy review with TD for enhancement of the respective services. For example, having regard to the results of the comprehensive review on PDI licences and in consultation with the Panel on Transport of the Legislative Council, the former Secretary for Transport and Housing enacted the Road Traffic (Driving Licences) (Amendment) Regulation 2021, with a view to refining the PDI licence issuing mechanism as well as enhancing the quality of PDIs and RDIs of DDSs<sup>2</sup>. The Amendment Regulation has come into effect from 1 December 2021.

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<sup>2</sup> The Amendment Regulation has raised the entry requirements for licence of PDI and RDI of DDSs. It raised the applicant’s minimum licence-holding period in respect of Group 1 vehicle class from three to six years preceding to the application date. In addition to the existing requirements for no conviction records on certain traffic offences, applicants shall not be convicted of offences of dangerous driving and careless driving under section 37 and section 38 of the Road Traffic Ordinance (Cap. 374) within five and two years respectively preceding to the application date.

Furthermore, under the Amendment Regulation, all new licence holders for PDI and RDI of DDSs are required to attend a mandatory induction course before they are issued with the licence. The purpose of the induction course is to instil proper knowledge, skills and attitude to the prospective driving instructors, including the role and conduct of a driving instructor, the driving test system, areas where candidates are prone to make mistakes, etc. In respect of the existing licence holders for PDI and RDI of DDSs, they are required to attend a mandatory refresher course once every three years as a prerequisite for renewal of their driving instructor licences so as to keep them abreast of the latest development of driver training. Meanwhile, with a view to deterring illegal driving training, a PDI is required to display an identity plate inside the vehicle which should be clearly visible to the public.



18. TLB will continue to monitor TD's work in respect of driving training and driving tests, and support TD to continuously review and refine the relevant work for providing better services to the public.

## **Part 2: Provision of driving test services**

***Question (d): 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 is based on the prevailing version of the Road Users' Code ("RUC"). While the latest 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 (i.e. 20 years ago). During the 20-year period (from August 2000 to September 2020) since RUC was previously updated, there had been enactment of new traffic regulations, and a number of amendments had been made to the legislations related to road safety. However, these changes had not been included in the written test until September 2020. Please advise/provide:***

- (i) why RUC has not been updated from August 2000 to September 2020;***
- (ii) a list of changes in the road safety legislations and regulations during the said 20-year period;***
- (iii) the remedial measures taken by TD to ensure that the affected driving licence holders were well acquainted with the changes in the road safety legislations and regulations; and***
- (iv) the mechanism and duration for regular updating of RUC.***

***"Road Users' Code" (Response to question (d))***

19. Between the last update of RUC published in May 2000 and the current version which came into effect in June 2020, the major additions or alternations to road safety related ordinances and regulations are as follows:

<b>Ordinance / Regulation</b>	<b>Example</b>
Cap. 374	Drink driving and drug driving, dangerous driving, heavier penalty for excessive speeding, safety measures of public light bus
Cap. 374A	Reversing video device on goods vehicles
Cap. 374B	Probationary driving licence, commercial vehicles driving licence

Cap. 374F	Requirements for wearing seat belts
Cap. 374G	Hazard warning lights, car lights, prohibition from using hand-held mobile phones
Cap. 374Q	Vehicles not allowed to use expressways
Cap. 375	The Driving Offence Points System, driving improvement course
Cap. 611	Switch off engines of idling vehicles

20. Although there is no specific timetable for updating the RUC<sup>3</sup>, as the Government will amend legislations concerning road traffic from time to time, readers have been reminded at the bottom of the front page of RUC that parts of RUC may no longer be applicable and the prevailing legislation takes precedence.

21. Besides, the amendments to ordinances and regulations relevant to road traffic, as well as any new information, have been disseminated to the public (including driving licence holders) through various means including making reference to the “Latest Information for Road Users” published by TD in March 2020 which can be browsed and downloaded at:

[https://www.td.gov.hk/filemanager/en/content\\_172/latest\\_information\\_for\\_road\\_users\\_chi.pdf](https://www.td.gov.hk/filemanager/en/content_172/latest_information_for_road_users_chi.pdf)

22. In the meantime, when there are any additions or amendments to the legislations, the Government will conduct various publicity and educational programmes to road users (including driving licence holders) to enhance their awareness of the relevant legislations, such as television and radio announcements, display of posters, issuing leaflets, conducting activities, etc. At the same time, information will also be disseminated to the motor vehicle and transport trades, schools and other stakeholders. We will also provide the latest legislations and relevant details through the websites of the Government or TD.

23. TD has planned to launch a new webpage in the second half of 2023 to provide updates on the “Scope of Written Test Questions” on TD’s website, which will cover the RUC and any new legislations related to road traffic. TD will enhance the publicity and provide relevant information particularly to the candidates to ensure that they are aware of the latest scope of the written test which will be updated from time to time. Besides, TD will review the contents of RUC as appropriate.

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<sup>3</sup> 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.

***Question (e): According to paragraph 2.7(a) and Table 4 of the Audit Report, TD only achieved 11% of the target to conduct written tests for 98% of non-commercial vehicles within 45 days upon application for learner’s driving licences. Please advise if TD has considered conducting on-line written tests amid the COVID-19 epidemic.***

*Waiting time for written test (Part A) (Response to question (e))*

24. Table 4 of the Audit Report shows the situation of the written test (Part A) in 2020, the first year of the pandemic. To tie in with the anti-epidemic measures, written test service was suspended intermittently for a total of 195 days. Upon each resumption of service, TD would need to firstly arrange make-up tests for affected candidates, before arranging test appointments for new candidates. In general, TD managed to arrange make-up tests for all affected candidates within one to two months after service resumption.

25. However, the periods between the previous and the next written test suspensions (about two to three months) were too short to effectively digest the number of affected candidates. Consequently, the waiting time for most of the candidates in 2020 was prolonged and exceeded the 45-day target. As at November 2022, TD was able to arrange about 84% of the written tests for the year to be conducted within 45 days. The situation has significantly improved. The current waiting time for written test (as at December 2022) is 42 days.

26. As for the proposal to conduct “online written test”, TD is of the view that this option must be assessed with caution, including how to ensure effective verification of the candidates’ identities and whether all candidates can meet the requirements on equipment (e.g. mandating candidates to install cameras for identity verification or invigilation) and the risks of cheating, etc. TD will review the written test arrangements as appropriate.

***Question (f): 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 has removed the pledge as it was likely that the demand for driving 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. Please advise if TD will consider drawing up a performance pledge for conducting road tests for learner drivers of non-commercial vehicles for reference by the public.***

*Performance pledge for non-commercial vehicle driving test service (Response to question (f))*

27. TD noticed that there has been a continuous increase in the demand for driving test services from the public. In the meantime, TD has announced in the webpage the waiting days for the driving tests of various types of vehicles. As stated in paragraph 3 above, apart from the current measures including increasing the manpower (e.g. regular recruitment of new DEs and engagement of retired DEs) and improving the efficiency and workflow for operations, TD will further introduce feasible measures to increase the driving test output, including making use of technology and arranging DEs to perform additional duties on Saturdays under practicable circumstances. It is planned that the respective measures will be introduced starting from March 2023. Besides, TD is conducting a new round of DE II recruitment exercise and the new recruits are expected to assume duty in the second half of 2023.

28. Following the implementation of the above measures and completion of filling vacancies in 2023, TD will review the situation in 2024 and explore drawing up a target for non-commercial vehicle driving test, i.e. the number of waiting days required for arranging the road tests upon receiving the applications.

***Question (g): With reference to paragraph 2.8 and Table 5 of the Audit Report, please advise/provide:***

- (i) the respective numbers of new candidates and repeaters applying for road tests for non-commercial vehicles since 31 December of 2015;***
- (ii) whether TD has examined the trend and reasons for the significant increase of waiting time for new candidates applying for road tests for non-commercial vehicles since 31 December 2015; if so, of the details, including the relevant statistics;***
- (iii) the waiting time for repeaters to take the road tests for non-commercial vehicles since 31 December 2015 and measures to facilitate their test booking appointments;***
- (iv) the measures taken by TD to shorten the waiting time for road tests for non-commercial vehicles; and***
- (v) whether TD has reviewed the effectiveness of such measures; if so, of the outcomes and the related follow-up actions.***

*Waiting time for non-commercial vehicle driving tests (Response to question (g))*

29. At present, candidates are not required to declare whether they are repeaters when applying for driving tests. Accordingly, there is no available record in TD's computer system on the number of fresh candidates or repeaters for various types of road tests. However, by projecting on the basis of the passing rates, the average monthly numbers of fresh candidates and repeaters (road test) from 2015 to 2022 are approximately as follows:

	<b>Number of candidates for driving test (road test) (approximate projection figures)</b>							
<b>Year</b>	2015	2016	2017	2018	2019	2020*	2021	2022 (as at October)
<b>Fresh candidates</b>	69 960	66 760	68 010	66 390	70 540	29 110	72 700	34 300
<b>Repeaters<sup>^</sup></b>	81 150	79 530	83 170	81 300	79 220	99 300	103 460	76 210

\*In 2020, due to the COVID epidemic, the driving test appointment service (including driving test applications) was suspended from 29 January to 31 January, 10 February to 22 May, 29 July to 18 September and 2 December to 31 December 2020 (suspension continued in January 2021), resulting in a significant reduction in the overall number of driving test applications.

<sup>^</sup> Projection from passing rate

30. Currently, unless repeaters for non-commercial vehicles can obtain early test appointments, they are required to apply for end-of-list appointments if they wish to take a re-test. TD did not keep separate waiting time figures for fresh candidates or repeaters.

31. We believe the continuous increase in the number of candidates is related to the growing number of vehicles, including private cars, for some time in the past. In the meantime, TD noticed that there have been more people learning to drive motor cycles and light goods vehicles, possibly due to the expansion of the takeaway and delivery businesses during the epidemic in recent years.

32. As stated in paragraph 3 above, apart from the current measures including increasing the manpower (e.g. regular recruitment of new DEs and engagement of retired DEs) and improving the efficiency and workflow for operations, TD will further introduce feasible measures to increase the driving test output, including making use of technology and arranging DEs to perform additional duties on Saturdays under practicable circumstances. It is planned that the respective measures will be introduced in March 2023. Besides, TD is conducting a new round of DE II recruitment exercise and the new recruits are expected to assume duty in the second half of 2023.

**Question (h):** According to paragraph 2.9 and Table 6 of the Audit Report, from 2015 to 2019, for the 13 DTCs providing road tests for non-commercial vehicles, the number of DTCs failing to achieve an utilization rate of more than 80% increased from five in 2015 to seven in 2019. Please advise the reasons why there was an increase in the number of DTCs which could not achieve an utilization rate of more than 80%, and if TD will consider using the exact opening hours of the DTCs instead of days as the basis for calculating the utilization rate.

*Utilisation rate of DTCs (Response to question (h))*

33. The number of operation days of DTCs is affected by a host of factors, including:

- (i) manpower of DEs – TD needs to arrange daily opening of DTCs subject to the manpower arrangement of DEs;
- (ii) traffic conditions of individual test centres - TD has to consider the traffic conditions of individual test centres, especially in areas with heavy traffic. In general, driving tests will be conducted outside the peak hours in the morning and afternoon;
- (iii) special arrangements for individual test centres - Pui Ching Road DTC is used as the venue for DE II recruitment road tests, and thus the centre has to be temporarily closed with no driving test arranged for candidates during the period; and
- (iv) driving test demand for various types of vehicles - driving tests for different vehicle types will be held at the corresponding DTCs. TD will arrange the number of road tests to be held at different DTCs according to the demand and waiting time situation for each vehicle type.

34. According to Table 6 of the Audit Report, between 2015 and 2019, among 13 DTCs providing road tests for non-commercial vehicles, the number of DTCs failing to achieve an utilisation rate of more than 80% increased from 5 to 7. In 2019, the two test centres with utilisation rates lowered to below 80% were Happy Valley DTC (68.3%) and Pui Ching Road DTC (75.2%). Having considered the heavy traffic in Happy Valley area, TD gradually adjusted the opening days of Happy Valley DTC to three days a week since 2016. In addition, in 2019, TD suspended driving tests at Pui Ching Road DTC for one month to use the DTC as the venue for DE II recruitment road test. Therefore, the utilisation rates of the two centres were lower than 80% in 2019.

35. To ensure operational efficiency and fully utilise the manpower, the driving test appointments for DTCs are currently scheduled on a full-day basis in general. Thus, the utilisation rate has been calculated by dividing “opening days of each DTC” by “working days of the year” in the post. Nevertheless, TD agrees to make records of the utilisation rates of the DTCs in terms of opening hours in parallel, and this arrangement will be implemented in Q2 2023 for internal record purpose.

***Question (i): According to paragraphs 2.10 to 2.12 of the Audit Report, under the prevailing arrangement, in the morning of every working day, all DEs are required to report for duty at the Pui Ching Road Office. DEs are assigned to the DTCs by random computer balloting right before starting of the daily scheduled road tests. After the balloting results are available, DEs and administrative staff (i.e. clerical grade officers) will travel to the assigned DTCs together in the same vehicle as far as practicable. In April 2019, TD completed a review on the effectiveness and practicability of a proposal to require all DEs to report for duty directly at their assigned DTCs through the use of the latest communication technology. While the proposal allowed DEs to report for duty and work earlier at the DTCs to maximize the number of time slots available for road tests, TD considered that it would be more effective to better utilize the DTCs by seeking to increase the manpower. Please advise:***

- (i) the role and duties of the administrative staff concerned;***
- (ii) the manpower situation of the DE grade in each of the past five year, including the staffing establishment, vacancies, wastage, average number of job applicants per each recruitment exercise and job requirements of the post;***
- (iii) the number of road tests for non-commercial vehicles conducted by a DE in a working day;***
- (iv) a breakdown of the time spent by DEs in travelling between the Pui Ching Road Office and different DTCs in a working day; and***
- (v) given that the waiting time for arranging road tests for non-commercial vehicles has further deteriorated notwithstanding that the number of DEs responsible for conducting road tests for non-commercial vehicles had increased by 11 (22%) from 51 in 2019 to 62 in 2021 after the review, whether TD will review the assessment and conclusion made in 2019; if so, of the details; if not, the reasons for that.***



***Question (j): According to paragraph 2.13(a) of the Audit Report, in order to minimize the chances for any corrupt pre-arrangement between DEs and candidates attending road tests, DEs are assigned to DTCs by random computer balloting right before starting of the daily scheduled road tests. It is of utmost importance to minimize the chances for tampering with the driving test equipment, and to maintain mutual monitoring of the staff concerned by grouping them together to travel in the same vehicle to the assigned DTCs as far as practicable. Please advise/provide:***

- (i) the number of related bribery/corruption cases in each of the past five years;***
- (ii) whether the current arrangement of grouping DEs and the administrative staff concerned together to travel to the assigned DTCs can effectively prevent bribery or corruption as a DE intended to commit such crime could easily alert parties concerned by sending out electronic messages with his mobile phone; and***
- (iii) whether TD has assessed the rationale, management efficiency and cost-effectiveness of requiring all DEs and the administrative staff concerned to report for and sign off duty at the Pui Ching Road Office instead of directly at their assigned DTCs; if so, the relevant assessment results.***

***Question (k): According to paragraph 2.16 of the Audit Report, TD undertook a project in January 2021 to introduce electronic test form with the use of tablet computers to replace the paper test form with a view to enhancing the efficiency of driving test workflow. The test results recorded in the tablet computers would be uploaded to TD's computer system wirelessly and the personal data of candidates would be deleted from the tablet computers after the completion of road tests. Please advise:***

- (i) whether the introduction of electronic test form can obviate the need for both DEs and the administrative staff concerned to travel to and from the Pui Ching Road Office every working day so that the travelling time saved can be used for conducting more road tests; and***
- (ii) the rationale for requiring the administrative staff concerned to go back to the Pui Ching Road Office every working day to return the tablet computers.***

***Question (l): According to paragraphs 2.18(b) and 2.19, TD has agreed to conduct reviews on measures to shorten the waiting time of road tests for non-commercial vehicles, including reassessing the viability of the proposal to streamline the duty reporting arrangement for DEs; and leveraging on the implementation of electronic test form to increase the road test output. Please advise the progress and outcome of the reviews.***

*DEs' work arrangements (Response to questions (i), (j), (k) and (l))*

#### Duties of DTC Officers

36. At present, each DTC will be assigned with a "DTC Officer", filled by a clerical staff, with the following responsibilities:

- conduct balloting for DEs working at the same DTCs and send the driving test information to the tablets of DEs before starting the test;
- carry out registration for candidates, including verification of identity and operation of computer system;
- verify and distribute driving test results and related documents to candidates;
- ensure effective operation of DTCs, including normal functioning of the necessary equipment, computer appliances, etc; and
- handle enquiries/complaints and emergency matters at DTCs.

#### Daily report duty arrangement

37. TD is of the view that maintaining a fair, impartial and corruption-free test system is of utmost importance. TD has the responsibility to explore all possible means to reduce the potential risks of bribery among the staff. At present, DEs and the DTC Officers are required to report to the office building of the Driving Services Section at Pui Ching Road, Ho Man Tin at 8 am on each working day. They will then be assigned to perform driving test duties at various DTCs in the territory by random computer balloting. This arrangement prevents DEs from knowing in advance which DTCs they will proceed to on the day. The 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 was an effective corruption prevention measure.

38. Apart from the balloting, DEs and DTC Officers will normally travel together in the same vehicles to the assigned DTCs. Such arrangement, to a certain extent, assists monitoring and reduces the chance of bribery before commencement of the driving tests. We are of the view that the small number of bribery cases at present proves the effectiveness of the existing arrangement. According to TD's records, the numbers of investigation cases in connection to driving tests in the past five years are as follows:

<b>Year</b>	<b>Number of cases</b>
2018	2
2019	0
2020	0
2021	3
2022	6*

\*Including two cases where TD reported that candidates had offered pecuniary advantage to DEs when conducting driving tests.

39. In 2019, TD carried out a review on the reporting arrangements of DEs and DTC Officers to consider whether the staff concerned should be allowed to travel directly from home to DTCs assigned by balloting, so as to increase the number of driving tests. The result indicated that while the arrangement might be able to increase about 5 500 driving tests per year, there were a number of issues that needed to be considered, including the possibility of additional traffic pressure along the driving test routes during the morning peak hours, the need to collect certain test equipment (e.g. government motor cycles, mobile test vehicles) from the Pui Ching Road office, and other operational issues (e.g. how to ensure all staff receive the notifications, the level of transport services of the DTCs at remote locations, etc.). The review in 2019, having balanced all factors, considered that the prevailing reporting arrangements should be maintained.

40. For off-duty arrangements, DEs and DTC Officers would normally return test-related documents, tablets and other equipment (including motor cycles, mobile test vehicles and keys) to the Pui Ching Road office after work and then record their off-duty time. Due to the remoteness of some DTCs, it may take more than 45 minutes for the staff to return to the Driving Services Section at Pui Ching Road to record their off-duty time after completing their work, which is often beyond normal working hours. Depending on the assigned work locations, some DEs are allowed to leave directly from DTCs after work where circumstances permit (their tablets will be returned by other DEs). However, they may only leave after normal duty hours and confirm their off-duty time through the computer system at the DTCs.

41. TD has fully launched the electronic driving test form in June 2022. After the implementation of related arrangements, DTC Officers and most DEs are still required to return to the Pui Ching Road Office upon completion of their work for the following reasons:

- (a) TD currently operates 17 DTCs (including two mobile DTCs). For security reasons, DTC Officers need to pick up and return the keys from/to the Pui Ching Road office every day. In addition, DTC Officers are required to deliver various documents received from candidates to the Pui Ching Road Office for further processing;
- (b) DEs, who are assigned to conduct motor cycle driving tests or to work at mobile DTCs, are required to obtain the relevant gear and equipment, including helmets, motor cycles, mobile test vehicles, etc., from the Pui Ching Road Office. They are also required to return to the Pui Ching Road Office for storage and management of the relevant gear and equipment upon completion of their work; and
- (c) at present, tablets are distributed to DEs for conducting driving tests at the Pui Ching Road Office every day. For security reasons, all tablets are centrally stored and managed in the Pui Ching Road Office (stored in a locked room with 24-hour security guards on duty).

42. TD will work with ICAC to review the reporting arrangement of DEs in Q1 2023, with a view to increasing driving test output while ensuring a fair, impartial and corruption-free test system. The review is expected to be completed in mid-2023.

## Manpower situation of DEs

43. DEs are mainly responsible for conducting road tests and related duties at various DTCs. The manpower situation of DEs during 2018-2022 is set out in the following tables:

### *(i) Number of DEs*

Year (as at 31 July of the year)		2018	2019	2020	2021	2022
<b>Establishment</b>	<b>Senior Driving Examiner</b>	1	1	1	2	2
	<b>Driving Examiner I</b>	14	16	16	19	19
	<b>Driving Examiner II</b>	60	60	62	64	64
	<b>Total</b>	75	77	79	85	85
<b>Strength</b>	<b>Senior Driving Examiner</b>	1	1	1	1	1
	<b>Driving Examiner I</b>	11	9	12	12	14
	<b>Driving Examiner II</b>	59	59	66	75	66
	<b>Total</b>	71	69	79	85	71
<b>Vacancy</b>	<b>Senior Driving Examiner</b>	0	0	0	1	1
	<b>Driving Examiner I</b>	3	7	4	7	5
	<b>Driving Examiner II</b>	1	1	-4	-8	-2
	<b>Total</b>	4	8	0	0	4

### *(ii) Wastages of DEs*

Year	Retire	Resign	Transfer to other department	Total
2018	4	0	1	<b>5</b>
2019	2	0	0	<b>2</b>
2020	1	0	1	<b>2</b>
2021	3	0	1	<b>4</b>
2022	1	2	1	<b>4</b>

### *(iii) Number of applicants in DE recruitment*

Recruitment date	Number of applicants
31.8.2018	1 075
17.1.2020	744
26.8.2022	1 072

(iv) *Entry requirements of DE II*

	<b>Entry requirements</b>	<b>Note</b>
	Candidates should -	
(a)	<p>(i) have Level 2 or equivalent (Note (1)) or above in five subjects in the Hong Kong Diploma of Secondary Education Examination (HKDSEE) (Note (2)), or equivalent; or</p> <p>(ii) have Level 2 (Note (3))/Grade E or above in five subjects in the Hong Kong Certificate of Education Examination (HKCEE) (Note (2)), or equivalent;</p>	<p>(1) For civil service appointment purpose, “Attained with Distinction” in Applied Learning subjects (subject to a maximum of two Applied Learning subjects), and Grade C in Other Language subjects in the HKDSEE are accepted as equivalent to Level 3 in the New Senior Secondary subjects in the HKDSEE. “Attained” in Applied Learning subjects (subject to a maximum of two Applied Learning subjects), and Grade E in Other Language subjects in the HKDSEE are accepted as equivalent to Level 2 in the New Senior Secondary subjects in the HKDSEE.</p> <p>(2) The subjects may include Chinese Language and English Language.</p> <p>(3) For civil service appointment purpose, ‘Grade C’ and ‘Grade E’ in Chinese Language and English Language (Syllabus B) in the HKCEE before 2007 are accepted administratively as comparable to ‘Level 3’ and ‘Level 2’ respectively in Chinese Language and English Language in the 2007 HKCEE and henceforth.</p>
(b)	meet the language proficiency requirements of Level 2 (Note (3)) or above in Chinese Language and English Language in HKDSEE or HKCEE, or equivalent;	
(c)	<p>have:</p> <p>(i) a valid full HK driving licence for light goods vehicle (code 2) for 6 years;</p> <p>(ii) a valid full HK driving licence for motorcycle (code 3);</p> <p>(iii) a valid full HK driving</p>	<p>(4) For item (c), candidates should state in their application forms (in the part of Professional Qualifications under Section A of the form) all the vehicle class codes in possession as shown on the driving licences.</p> <p>(5) Candidates’ driving ability will be tested before appointment. Only candidates who pass the driving skills assessment</p>

	<p>licence for public light bus (code 5) and medium goods vehicle (code 18) (Notes (4) and (5));</p>	<p>will be invited for the selection interviews and considered for appointment.</p>
(d)	<p>have no conviction for careless driving under section 38 of the Road Traffic Ordinance over the previous two years; for various dangerous driving offences and drink or drug driving related offences under sections 36, 36A, 37, 39, 39A, 39B, 39C, 39J, 39K, 39L, 39O(1), and 39S of the Road Traffic Ordinance over the previous 5 years; and</p>	
(e)	<p>a pass result in the Basic Law and National Security Law Test (Notes (6) and (7)).</p>	<p>(6) All applicants for civil service jobs will be assessed on their knowledge of the Basic Law and the National Security Law. A pass result in the Basic Law and National Security Law Test is an entry requirement for all civil service jobs. Only those candidates who have passed the Basic Law and National Security Law Test will be considered for appointment.</p> <p>(7) For candidates who have not taken the relevant Basic Law and National Security Law Test or have not attained a pass result in the relevant Basic Law and National Security Law Test at the time of application, they may still apply for the job and arrangements will be made for them to take the relevant Basic Law and National Security Law Test during the recruitment process.</p>

### Number of DEs conducting driving tests for non-commercial vehicles

44. Non-commercial vehicle driving tests are mainly conducted by DE IIs. The duration of tests varies by types of vehicles and test routes. Taking driving test (combined) for private car or light goods vehicle as the basis, a DE II conducts about 12-13 driving tests a day.

### Opening hours of DTCs for non-commercial vehicles

45. Every morning, after reporting for duty and computer balloting, all DEs and DTC Officers who are assigned to work at the same DTC will generally travel in the same vehicle (3-4 people per vehicle) to the work place, in order to optimise the use of resources and ensure that everyone arrives at the same time for punctual commencement of driving tests. The travelling time by driving to each DTC of non-commercial vehicles, and the opening hours of the respective DTC are listed below:

<b>DTC for non-commercial vehicles</b>			
<b>District</b>	<b>DTC</b>	<b>DTC Opening Time</b>	<b>Traveling Time by Driving# (minutes)</b>
Hong Kong Island	Happy Valley DTC	9:00	30
	So Kon Po DTC	9:00	30
	DTC in New Horizon School of Motoring (Ap Lei Chau)	9:00	30
Kowloon	Chung Yee Street DTC	8:45	15
	Tin Kwong Road DTC	8:45	15
	Yau Tong DTC	9:00	30
	Pui Ching Road DTC	8:35	--
	Chak On Road DTC	9:00	30
	DTC in New Kwun Tong Driving School	9:00	30
New Territories	Wing Hau Street DTC	9:00	30
	Shek Yam DTC	9:00	30
	DTC in Hong Kong School of Motoring (Sha Tin)	9:00	30
	DTC in Hong Kong School of Motoring (Yuen Long)	9:15	45

#Calculated with reference to the average travelling time in normal traffic condition.



**Letter dated 19 December**

**Part 2: Provision of driving test services**

*Question (a): with reference to paragraph 2.8 and Table 5 of the Audit Report, please advise/provide:*

- (i) *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;*

*Higher increase in the waiting time for DTCs on Hong Kong Island  
(Response to question (a)(i))*

46. Happy Valley DTC is 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 is a need to strike a balance between conducting driving tests and addressing the needs of nearby residents. TD has suitably adjusted the driving test arrangement in recent years by scheduling driving tests three days a week to ease the traffic in the nearby area. This affected the waiting time in the Hong Kong Region. In addition, according to TD's understanding with the driving instructor trade, as the waiting time in the Hong Kong Region has all along been shorter than that in the New Territories/Kowloon Region in the past, some candidates, who originally plan 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 led to a more significant increase in the waiting time in the Hong Kong Region.

- (ii) *whether TD will identify any suitable sites which are relatively far away from residential areas (e.g. at Kai Tak Development Area) for conducting road tests for non-commercial vehicles so as to reduce the waiting time; if so, of the details; if not, the reasons for that.*

*Increasing the number of DTCs (Response to question (a)(ii))*

47. As mentioned in paragraph 4 above, to meet the demand for driving test services, TD has spared no effort in identifying suitable sites in the territory for setting up additional and wider distributed DTCs with a view to increasing driving test output. TD has all along maintained close liaison with the relevant departments for seeking suitable sites (including new development areas) for setting up DTCs. At present, TD has planned to develop a joint-user complex at the junction of Shing Tai Road and Sheung Mau Street in Chai Wan, in which

three floors will be used for re-provisioning of the Ap Lei Chau Driving School and DTC, in order to provide driving training and driving test services for private cars, light goods vehicles and motor cycles. TD would continue with the relevant site-seeking work and proactively consider any sites suitable for setting up DTCs in any regions.

***(iii) whether TD will consider introducing a paid service for early test appointments or introducing a fast-track mechanism to facilitate learner drivers in need; if not, the reasons for that; and***

*Whether to introduce charged early test service (Response to question (a)(iii))*

48. TD considers the prerequisite for introducing charged early test service or establishing a mechanism for priority test is that the new arrangement should not affect the regular driving test services. However, having considered the existing manpower, the current driving tests output could not fully cope with the growing demand. In case some candidates who have paid extra charge are allocated with an earlier test appointment, the test appointment dates of other candidates would unavoidably have to be deferred, thereby indirectly prolonging their waiting time. This may give the public an impression that the policy creates unfairness. TD has no plan to implement charged early test service at present.

49. On the other hand, TD will further arrange for DEs to carry out additional work on Saturdays to provide early tests for repeaters. This measure is planned to be implemented in March 2023, providing around 830 additional early tests per month, and thus around 5 000 early tests in total in six months' time. In addition, to maintain the fairness of the Repeater Early Test Appointment Booking Service, TD is preparing to replace the existing allocation mechanism which is based on "first-come-first-served" basis by a "balloting" mechanism. Repeaters who have completed real-name registration will be selected by balloting and selected candidates will be allowed to choose their test appointments. The balloting mechanism will also be implemented in March 2023.

50. There is already a mechanism in TD to handle applications for early test from candidates with special needs (e.g. transporting sick relatives) at present. TD will approve each case on individual merits after the candidates have submitted sufficient document proof. In general, approved candidates would be allocated vacant test slots arising from the applications for postponement of some candidates, so as to avoid affecting the waiting time of other candidates.

- (iv) whether TD will consider requiring learner drivers who have got borderline fail in road test to undertake extra on-street training provided by driving schools or private driving instructors (“PDIs”) instead of re-taking road test again ;***

*Standard for passing driving test (Response to question (a)(iv))*

51. To ensure road safety, TD has maintained stringent requirements on candidates attending driving tests to ensure that upon passing the driving test, they should have adequate driving competency and skills to drive safely for the vehicle types they have passed. In the meantime, the Road Traffic (Driving Licences) Regulations (Cap. 374B) also requires a candidate to pass a driving test conducted by a DE before he can be issued a driving licence. Regarding the suggestion that candidates who have got “borderline fail” may receive additional driving training to obtain a driving licence directly, TD considers that such an arrangement may not be able to ensure candidates meeting the required standard for driving test. For the sake of road safety, TD is of the view that it is necessary to maintain the existing requirement that candidates must have passed the relevant driving test before they can be issued a driving licence.

### **Part 3: Management of Driving Training Schools**

***Question (b): according to paragraph 3.3 of the Audit Report, there are four designated driving schools in Hong Kong. Of the four schools, three (including the New Kwun Tong Driving School) are set up on Government short term tenancy sites and one is set up on the site provided by the operator. The tenders for the designated driving schools set up on Government short term tenancy sites are awarded through competitive tendering based on the highest overall score attained in the making scheme. Please advise:***

- (i) the detailed assessment criteria with a breakdown of the relevant weightings for awarding tenders for the designated driving schools set up on Government short term tenancy sites;***
- (ii) whether the contractors' past performance in operating designated driving schools as well as the salary levels of staff have formed part of the selection criteria in the past tenders; if not, the reasons for that;***
- (iii) whether TD has assessed if the current situation that all the four designated driving schools are operated under the same group of private companies has given rise to a monopoly; if it has, of the assessment outcomes and the improvement measures; if not, the reasons for that;***
- (iv) details of the relevant assessments from the Competition Commission in this regard; and***
- (v) the durations of the tenancy agreements with the operator of the four designated driving schools and the planned timeframe for the next re-tendering exercises;***

***Tendering system and assessment criteria for DDSs (Response to question (b))***

52. Since 2018, TD has, in collaboration with LandsD, conducted re-tendering of sites for DDSs set up on Government short term tenancy (“STT”) sites (including DDSs located in Siu Lek Yuen, Sha Tin and Yau Shun Street, Kwun Tong<sup>4</sup>) under the Abbreviated Tender System on a regular basis. Under LandsD’s Abbreviated Tender System, tenancies will normally be awarded based on the highest rentals proposed with all essential requirements being met.

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<sup>4</sup> Tender exercises were conducted for the sites in Siu Lek Yuen, Sha Tin and Yau Shun Street, Kwun Tong (i.e. New Kwun Tong Driving School) in 2018 and 2019 respectively under LandsD’s Abbreviated Tender System.

53. 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. After examining the two tender exercises conducted by TD for DDSs in 2018 and 2019, CC recommended that TD, in future tender exercise, should:

- (i) 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;
- (ii) minimise the entry barrier of tenderers (including removing the minimum requirement of previous experience in operating driving schools and accepting tenderers from overseas); and
- (iii) incorporate the element of assessing course fees<sup>5</sup> into the assessment criteria.

54. 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 must meet the following essential requirements:

- (i) undertake to accord priority to employ RDIs of the existing DDSs with employment terms not worse than the current offer; and
- (ii) key personnel<sup>6</sup> of the driving school must meet the minimum requirements of academic qualification and working experience stipulated in the tender document.

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<sup>5</sup> As motorcycle learners are required by law to enrol with a DDS for a 12-hour mandatory training course before taking the Motorcycle Competence Test (Part B test), TD has, having regard to CC’s recommendations, included evaluation of the proposed course fees in the assessment criteria since 2020. For courses for other vehicle types, given that learner drivers may choose between PDIs and DDSs according to their own needs, and the number of training hours may vary among individuals, TD will not consider such course fees during tender evaluation. Yet, TD will still evaluate the course content (including the number of hours of theory training and road based training, the model and age of the vehicle deployed, etc.). CC has no objection to these arrangements.

<sup>6</sup> Key personnel include four posts, namely the School Administrator, being the highest ranking person in the DDS, as well as the Operations Manager, Administration Manager and Finance Manager, etc. responsible for overseeing the daily operation of the school.

55. Tenders that have met all the essential requirements will be assessed using the following marking scheme:

Assessment items	Weighting
<b>Part I: Technical score (50% of the total score)</b>	
(i) Operation plan, including - <ul style="list-style-type: none"> <li>• arrangements for enrolment of students and driving test appointments</li> <li>• content and training hours of various driving training courses</li> <li>• number and average age of training vehicles deployed</li> <li>• on-street and off-street driving training sessions</li> <li>• course fee for the competence test for motorcycles</li> <li>• contingency plan for emergency situations such as inclement weather</li> </ul>	20
(ii) Human resources and management plans, including - <ul style="list-style-type: none"> <li>• staff establishment and deployment</li> <li>• staff training and management</li> <li>• student complaint handling mechanism</li> </ul>	10
(iii) Remuneration and fringe benefits for RDIs <sup>7</sup>	7.5
(iv) Qualifications of key personnel	6.0
(v) Resource deployment plan and preparatory arrangements, including - <ul style="list-style-type: none"> <li>• the schedule of recruitment of staff</li> <li>• timetable for setting up student registration and appointment systems</li> <li>• details of training vehicles and procurement timetable</li> <li>• design of staff uniform and procurement timetable</li> </ul>	5.0
(vi) Tenderer's past experience in operating driving schools	1.5
<b>Part II: Rental proposed (50% of the total score)</b>	
(vii) Rental proposed	50
<b>Total score</b>	<b>100</b>

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<sup>7</sup> Additional scores will be given if a tenderer undertakes to provide RDIs of existing DDSs with employment terms better than the current offer. The actual score given will depend on the extent of increase in remuneration and other benefits.

56. Tenderers who have met all the essential requirements and attained the highest overall score under the marking scheme will be awarded a STT site for operating a DDS. The tenancy period will be up to five years<sup>8</sup>. The validity period of designation of the four existing DDSs and the planned timeframe for the next tender exercises are as follows:

	<b>Siu Lek Yuen Driving School</b>	<b>Ap Lei Chau Driving School<sup>9</sup></b>	<b>Yuen Long Driving School</b>	<b>New Kwun Tong Driving School</b>
Validity period of the existing designation	17.5.2018 to 16.2.2023	1.9.2021 to 31.8.2023	6.9.2022 to 5.9.2025	16.8.2019 to 7.7.2023
Tender exercise completed and validity period of the next designation	17.2.2023 to 16.2.2028	1.9.2023 to 31.5.2026	Not applicable <sup>10</sup>	8.7.2023 to 7.7.2028
Planned timeframe for the next tender exercise	First quarter of 2026	Second quarter of 2024		Second quarter of 2026

57. The Government does not set a ceiling for the number of DDSs. If an organisation or individual identifies a suitable site for establishing a driving school, TD will consider its application if it complies with land use and statutory requirements.

58. Moreover, the present market of driver training is open. Under the “two-pronged approach” of the driving training policy, learner drivers may choose to receive driver training from a PDI. In fact, in the past three years, over 70% of candidates taking TD’s driving tests received their training from PDIs, which shows the existence of competition in the driver training market. Nevertheless, TD will continue to conduct re-tendering exercises with LandsD for DDSs set up on Government STT sites on a regular basis, and to examine enhancing the assessment criteria in future tender exercises. Apart from considering tenderers’ previous experience in operating private driving schools

<sup>8</sup> The actual tenancy period will also depend on whether the site needs to be released for other development purposes.

<sup>9</sup> The site of the Ap Lei Chau Driving School has been rezoned as open space by the Town Planning Board in 2017. In collaboration with LandsD, TD has conducted the re-tendering of the site in 2020, with a first lease term of two years (from 1 September 2021 to 31 August 2023). In Q3 2023, TD will further discuss with LandsD, and subject to the progress of rezoning, to consider renewing the tenancy up to 31 May 2026, with the total lease term maximised at 4 years and 9 months.

<sup>10</sup> The site of the Yuen Long Driving School is a private land of the school and no re-tendering is required. Nevertheless, the validity period of each designation shall not exceed five years.

or DDSs, we will also consider more about their relevant operating performance with a view to introducing more competition into the market of DDSs.

***Question (c): according to paragraph 3.4(d) of the Audit report, upon discovery of any breach of the Code of Practice or any other conditions as specified in the designation, the proprietor of the designated driving school will be requested to take follow up actions immediately and rectify the breach within a reasonable time. Please advise, apart from revoking the designation and consider terminating the tenancy agreement, what other further actions could be taken towards the proprietor of the designated driving school with no sign of improvement;***

*Monitoring of DDSs (Response to question (c))*

59. At present, TD regulates the operation of DDSs according to the Code of Practice issued under the Road Traffic Ordinance and conditions specified in the designation. To ensure that schools operate in compliance with the Code of Practice and conditions specified in the designation, TD regularly deploys staff to carry out roving inspections at driving training schools and requests schools to rectify any irregularities. If there is no sign of improvement, TD will issue advisory or warning letters to schools according to the severity of irregularities, and may consider revoking the designation of the school and informing LandsD to terminate the tenancy agreement as appropriate.

***Question (d): according to Note 15 of the Audit Report, the tendering exercises for the designated driving schools set up on Government short term tenancy sites were conducted by TD in collaboration with the Lands Department (“LD”). While TD was responsible for drawing up the tender terms and basic requirements in relation to the operation of driving schools, LD was responsible for preparing the tender terms and the tenancy agreement in relation to land administration. According to paragraph 3.5(c) of the Audit Report, while the New Kwun Tong 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”). Please advise:***

- (i) whether the requirement of obtaining occupation permits from BD was stipulated in the relevant tender terms and tenancy agreement; if so, why such situation still occurred and the related monitoring mechanism; if not, the reasons for that; and***



**(ii) *the measures in place by different departments to prevent occurrence of similar incidents;***

*Operation of New Kwun Tong Driving School without occupation permit  
(Response to question (d))*

60. It is stated in the terms of STT agreements of the New Kwun Tong Driving School (“NKTDS”) that buildings or structures to be erected at the sites shall comply with the Buildings Ordinance (Cap. 123), any regulations made thereunder and any relevant amendment legislation.

61. When TD processed the designation of NKTDS in 2019, TD had taken into account the fact that the waiting time of driving tests in Kowloon district reached 276 days and some students of the former Kwun Tong Driving School needed to be transferred to NKTDS before the expiry of the validity period of their test forms. In order to enable the school to provide driving training service in the district as soon as possible, TD approved NKTDS to fully commence its operation from 25 November 2019 after an Authorised Person confirmed on 18 November 2019 that the site was safe for driving training purposes and that an occupation permit for the site of the first phase would be available within one week (i.e. before 25 November 2019).

62. On 4 June 2020, after NKTDS informed TD that it still had not obtained an occupation permit from BD, TD ordered the school to suspend all driving training and driving test services at the site and actively followed up with the relevant departments to expedite the process for the school to obtain the occupation permit. Nine days after TD discovered the incident, NKTDS obtained the occupation permit for the site of the first phase and driving training and test services at the school resumed normal on the following day. Yet, TD agreed that the situation was unsatisfactory and issued a warning letter to NKTDS.

63. To prevent similar incidents from happening again, TD issued a set of internal guidelines in September 2021, which sets 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 is obtained). The guideline states that if the original successful tenderer obviously fails to fulfil his commitments made in the tender proposal, TD will consider requesting LandsD to terminate the tenancy. In addition, for the future designation of driving schools, TD and LandsD will 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.

**Question (e):** according to paragraph 3.19 of the Audit Report, for the lists of course results submitted by the designated driving improvement schools in the period from November 2020 to October 2021, there were discrepancies between such lists and the monthly reports/corresponding student performance assessment forms. Moreover, in three lists of course results submitted by two driving improvement schools in February, April and June 2021 respectively, there were four participants who were recorded as having passed in the lists of course results but were recorded as having failed in the corresponding student performance assessment forms. Please advise/provide:

- (i) the explanations on how TD has come up with the figures mentioned in paragraph 3.20(a) with a detailed breakdown by the designated driving improvement schools; and
- (ii) the measures taken by TD to ensure the accuracy of the lists of course results submitted by the designated driving improvement schools;

*Submission of lists of course results by designated driving improvement schools (Response to question (e))*

64. The details of the data relating to designated driving improvement schools in paragraph 3.20(a) of the Audit Report is set out below:

**Table 1: Number of participants of each designated driving improvement school during the audit period**

<b>Designated Driving Improvement School</b>	<b>No. of participants during the audit period (November 2020 to October 2021)</b>
Lee Kin Driving School Limited	11,407
Leinam School of Motoring Limited	7,197
The Hong Kong Federation of Trade Unions Occupational Retraining Centre Limited	2,478
The Hong Kong School of Motoring Limited	2,045
<b>Total:</b>	<b>23,127</b>

**Table 2: Discrepancies between the number of participants of designated driving improvement schools as reported in the lists of course results and that reported in the monthly reports**

Month	Lee Kin Driving School Limited	Leinam School of Motoring Limited	The Hong Kong Federation of Trade Unions Occupational Retraining Centre Limited	The Hong Kong School of Motoring Limited	Sum of discrepancies between the lists of course results and monthly reports <sup>11</sup>
November 2020	0	0	0	0	No discrepancy
December 2020	0	0	0	0	No discrepancy
January 2021	-12	0	-16	0	-28
February 2021	0	0	0	0	No discrepancy
March 2021	0	-16	-1	+2	-15
April 2021	0	0	0	0	No discrepancy
May 2021	0	+1	0	0	+1
June 2021	0	+3	0	+1	+4
July 2021	0	0	0	+1	+1
August 2021	0	+25	0	-18	+7
September 2021	0	-20	0	0	-20
October 2021	-33	0	0	0	-33
<b>Total discrepancies:</b>					<b>-83</b>
<b>No. of participants during the audit period:</b>					<b>23,127</b>
<b>Percentage:</b>					<b>0.36%</b>

65. Discrepancies between the number of participants of designated driving improvement schools as reported in the lists of course results and that reported in the monthly reports were found. The major reason for discrepancies was that there was double counting when calculating the number of repeaters. If a participant failed the end-of-course written test and the date of resit and the date of the class previously attended fell in different months, there could be double counting in the total number of participants by the school in the monthly report, resulting in discrepancies between the total number of participants as reported in the lists of course results and that reported in the monthly reports. In addition, TD noticed that some discrepancies were caused by typos in submission by the schools. Measures have been introduced by TD to reduce the chance of mistakes in future (see paragraphs 66 to 67 below for details).

<sup>11</sup> The (+) sum of discrepancy represents that the number of participants as reported in the monthly reports is greater than that reported in the lists of course results, and vice versa.

**Table 3: No. of participants of designated driving improvement schools with discrepancies between lists of course results and student performance assessment forms**

<b>Month</b>	<b>Designated driving improvement school</b>	<b>No. of participants with discrepancies between lists of course results and student performance assessment forms</b>
February 2021	Lee Kin Driving School Limited	1
April 2021	Lee Kin Driving School Limited	1
	The Hong Kong Federation of Trade Unions Occupational Retraining Centre Limited	1
June 2021	The Hong Kong Federation of Trade Unions Occupational Retraining Centre Limited	1
<b>Total no. of participants with discrepancies:</b>		<b>4</b>
<b>No. of participants during the audit period:</b>		<b>23,127</b>
<b>Percentage:</b>		<b>0.02%</b>

66. At present, each designated driving improving school is required to submit the student performance assessment form and list of course results to TD upon completion of a course. TD frontline staff will upload the course results to TD's computer system only after verifying that the data reported in the list of course results match those reported in the student performance assessment form.

67. To further ensure the accuracy of the lists of course results, TD has stepped up spot checking of records, and will explore possible measures with driving improvement schools to streamline and further digitalise the procedures of completing and submitting the lists of course results in order to reduce the chances of human errors.

#### **Part 4: Licensing control of private driving instructors**

*Question(f): according to paragraph 4.3(c) of the Audit Report, taking into account the valid number of and the new benchmark for Group 1 PDI licences, 226 new licences were issued. In order to utilize the driving competence and training experience of Group 2 and Group 3 PDIs as well as the 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. Please advise/provide:*

- (i) 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, valid licence holders of Group 2 and Group 3 PDI licences, as well as serving and ex-RDIs;*
- (ii) whether TD has assessed if the mechanism of allocating 25% of the 226 new Group 1 PDI licences to existing driving instructors as mentioned above is reasonable and fair to members of the public; if so, the relevant assessment results; and*
- (iii) the rationale of setting a benchmark for the number of PDI licenses, instead of leaving the market to determine according to the demand and supply.*

#### *Issuing PDI licences (Response to question (f))*

68. With regard to the busy traffic conditions in Hong Kong, a "two-pronged" approach has been adopted in respect of driver training policy. On the one hand, we promote off-street driver training through the establishment of DDSs for the choice of the public. On the other hand, we maintain sufficient supply of PDIs for on-street driver training provided that such activities will not aggravate traffic congestion or causing any road safety concern.

69. 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 (i.e. 1 050 for Group 1 130 for Group 2 and 230 for Group 3) will be used as the benchmarks for subsequent reviews. The Commissioner for Transport may consider issuing new PDI licences for a particular group when the number of respective valid licences falls 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 (i.e. increasing 120), and to issue 226 Group 1 new PDI licences by two stages. In the meantime, it was decided to maintain the benchmarks of Group 2 and Group 3 PDI licences at 130 and 230 respectively.

70. TD has also refined the issuing mechanism for PDI licences, proposing to allocate 75% (i.e. 169) of the 226 new Group 1 PDI licenses 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 will be allotted to eligible members of public for attracting new blood for the PDI industry. In the meantime, it was decided to allocate 25% (i.e. 57) of the new licences, as “Quota for Specified Persons” 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 and strive for an appropriate balance between the two groups. As for the 75% (i.e. 169) quota for public application, TD received 28 800 applications, most of which are from members of the public. For the remaining 25% (i.e. 57) “Quota for Specified Persons”, TD received 924 applications with distribution as follows:

**Group 1 PDI Licences  
(Quota for Specified Persons)**

Applicant	Number
Public#	295
Valid Group 2/3 PDI licence holders	163*
Serving and ex-RDIs	467*

# TD received applications from persons holding various qualifications (including ineligible members of public) when accepting applications. When processing all the applications according to the order number after balloting, TD would notify (in writing) ineligible applicants (including the 295 ineligible members of public) that their applications would not be further processed.

\* One applicant who holds valid Group 2/3 PDI licence is also a serving/ex-RDI

***Question (g): 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 also found by Audit to be inactive in TD’s previous two estimations conducted in 2016 and 2018. Please advise/provide:***

- (i) *the factors and basis for determining whether a PDI is active or inactive;*
- (ii) *the reasons for the high percentages of inactive PDIs and the factors affecting whether training will be delivered by PDIs;*
- (iii) *whether the high percentages of inactive PDIs will have an adverse impact on the maintenance of a proper supply of PDIs for on-street driver training;*
- (iv) *whether TD has assessed if there is a proper supply of PDIs in the market for on-street driver training and whether TD has received any complaints in this regard; if so, of the details;*
- (v) *measures to address the inactive PDI issue and raise the quality of PDIs; and*
- (vi) *the number of PDIs who have successfully registered their training courses as the Continuing Education Fund courses.*

*“Inactive” PDIs (Response to question (g))*

71. Whether a PDI provides driving training or not is affected by a host of factors. According to TD’s understanding from the trade, the factors include individual career development, family arrangement, health conditions, etc. There is no clear and widely accepted definition to determine whether a PDI is “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 driving test within a year was inactive.

72. TD has all along considered the impact of inactive PDIs in the market. Therefore, when reviewing the benchmark of valid PDI licences, TD had taken into account the number of “inactive” PDIs to ensure sufficient PDIs are available in the market to provide driving training to the public. TD has not received any complaints from the public regarding insufficient PDIs in the past five years.

73. As stated in paragraph 7 above, TD had introduced PDI identity plate and refresher course in 2022. Some inactive PDIs may not renew their PDI licences due to their failure to attend refresher course, or their unwillingness to display PDI identity plate. This will help monitor the situation of “inactive” PDIs. In the meantime, TD has planned, starting from Q2 of 2023, to collect information from candidates regarding the driving instructors 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 the PDIs providing training.

74. The Government has, through amendments of Road Traffic (Driving Licences) Regulations in 2021, introduced measures to enhance the quality of PDIs, which include:

- (a) raising the entry requirement of driving instructors, including raising the applicants’ minimum licence-holding period in respect of private car and light goods vehicle from three years to six years; and requiring applicants to have no conviction records in dangerous driving and careless driving during five years and two years immediately before the application respectively. In addition, new PDIs are required to complete an induction course before being qualified as a PDI;
- (b) starting from December 2023, requiring all existing PDI licence holders to attend a refresher course once every three years as a pre-requisite for renewal of their PDI licences, in order to keep them abreast of the latest development and requirement of traffic regulations, driving test and driving training; and
- (c) starting from March 2022, requiring all PDIs to display the PDI identity plate inside the training vehicles, which should be clearly visible to the public, when providing driving training.

75. There are currently two PDI organisations (i.e. not including DDSs), providing a total of six driving training courses under the Continuing Education Fund scheme.

***Question (h): According to paragraph 4.9 of the Audit Report, under the Road Traffic (Driving Licences) Regulations, no person shall give driving instruction to any person unless the person giving the driving instruction is the holder of a valid driving instructor’s licence which entitles him to give driving instruction for the class of motor vehicle in respect of which driving instruction is given. Please advise/provide:***

- (i) the number of illegal driving training activities in each of the past five years; and***
- (ii) the measures taken by TD to combat such illegal activities;***



**Question (i):** According to paragraphs 4.15 to 4.16 and Table 10 of the Audit Report, TD’s DEs may conduct roving inspections of PDIs with a view to assessing the standard of PDIs and their methods adopted for giving driving instruction. However, the annual numbers of roving inspections conducted by TD fluctuated significantly, ranging from 0 in 2016 to 175 in 2021. Please advise:

- (i) how the roving inspections are conducted; and
- (ii) the reasons for the significant fluctuation in the numbers of roving inspections conducted by TD from 2015 to 2021.

**Question (j):** According to paragraph 4.9 of the Audit report 4.20(a), TD will set a target to conduct roving inspections to each PDI of all Groups regularly, and extend the coverage of inspection hours to cover all the time slots of driving training. Please advise the progress of the relevant work.

*Combating illegal driving training activity (Response to question (h))*

76. TD has been in close liaison with the Police for taking joint operations against illegal driving training activities, including providing driving training without a valid PDI licence, driving learning at unspecified time, driving learning at prohibited area, driving training without “L” plate, etc. The information of joint operations is tabulated below:

	2018	2019	2020	2021	2022
<b>No. of joint operations</b>	2	5	1	5	3
<b>Total no. of summons / fixed penalty tickets issued</b>					
No. of summons issued	76	137	99	103	45
No. of Fixed Penalty Tickets issued	2	12	2	17	8
Total	79	149	101	120	53

*Monitoring of PDIs (Response to question (i) and (j))*

77. In order to effectively monitor the teaching quality of PDIs, DEs will conduct regular and surprise roving inspections on PDIs. Having created two designated DE I posts in June 2021 for monitoring PDIs, TD strengthened the number of roving inspections, and thus there has been a considerable increase in the number of inspections when compared to those of previous years (175 inspections). We will 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. Besides, starting from mid-2022, the time of conducting roving inspections has been extended to cover all usual training hours including Saturdays, Sundays and public holidays.

78. In addition, TD has promulgated the guidelines for roving inspection in 2021 which clearly sets out the requirements and procedures of roving inspection. Responsible officers are required to observe the guidelines when conducting roving inspection. DEs will contact PDIs in advance or conduct surprise inspection, during which the identity of PDI and the group of vehicles being authorised to give driving training will be verified. DEs will also observe the training process on board of the training vehicle and make assessment with record. DEs will then give advice to the PDIs concerned for areas of improvement for effective monitoring and maintaining the teaching quality of PDIs.