

LICENSING SERVICES FOR DRIVERS

Executive Summary

1. The Transport Department (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, driving improvement schools and pre-service training schools; and (c) issuing licences for private driving instructors (PDIs). According to the 2020 and 2021 Annual Transport Digests published by TD, one of the major contributory factors in the road traffic accidents in Hong Kong in 2019 and 2020 was driver related. To this end, driving training and driving tests are important means of ensuring that drivers acquire the correct habits and attitudes from the start. The Audit Commission (Audit) has recently conducted a review to examine the licensing services for drivers provided by TD with a view to identifying areas for improvement.

Provision of driving test services

2. Depending on different vehicle classes, a driving test may take the form of written test, road test or a combination of both. A person must pass all parts of a driving test before he is eligible to apply for a probationary driving licence or a full driving licence. As at 31 January 2022, there were 17 driving test centres for conducting road tests for commercial vehicles (e.g. taxi and medium goods vehicle) and/or non-commercial vehicles (e.g. private car and motor cycle) (para. 1.9). Audit examination revealed the following areas for improvement:

- (a) ***Need to regularly update question banks for driving written tests.*** Candidates of the driving tests for non-commercial vehicles and taxi are required to take a computerised written test. TD maintains a question bank for each part of the written tests. Audit noted that while the latest update of the questions (which were set based on the Road Users' Code) 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 latest version of the Road Users' Code was issued in June 2020), the previous update was

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made in August 2000 (i.e. 20 years ago). As a result, no questions on the changes in traffic regulations and legislations related to road safety (e.g. prohibition of the use of hand-held mobile phones while driving) had been asked in the written test for many years before September 2020 (paras. 2.2, 2.3 and 2.5); and

- (b) ***Long waiting time of road tests for non-commercial vehicles.*** Audit analysed the waiting time for new candidates applying for the road tests for non-commercial vehicles at driving test centres as at 31 December of 2015 to 2021 and found that the waiting time had increased significantly (e.g. 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). Furthermore, Audit analysed the utilisation of the 13 driving test centres providing road tests for non-commercial vehicles from 2015 to 2019 and found that the number of driving test centres failing to achieve an utilisation rate of more than 80% increased from 5 in 2015 to 7 in 2019. Audit examination revealed the following areas for improvement in shortening the waiting time of road tests for non-commercial vehicles:
- (i) ***Need to streamline duty reporting arrangement for Driving Examiners.*** Under the prevailing duty reporting arrangement, all Driving Examiners are required to report for duty at the Pui Ching Road Office in the morning of every working day. In order to ensure that road tests are conducted in a fair, efficient and corruption-free manner, the Driving Examiners are assigned to the driving test centres by random computer balloting right before starting of the daily scheduled road tests. After the balloting results are available, the Driving Examiners will travel to the assigned driving test centres. After completing a review in April 2019 on the effectiveness and practicability of a proposal to require all Driving Examiners to report for duty directly at their assigned driving test centres through the use of the latest communication technology (e.g. using instant messaging applications to inform the Driving Examiners the balloting results), TD considered that it would be more effective to better utilise the driving test centres by seeking to increase the manpower. Notwithstanding that the staff strength of Driving Examiners responsible for conducting road tests for non-commercial vehicles has increased by 11 (22%) from 51 in 2019 to 62 in 2021, the waiting time for arranging road tests for

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non-commercial vehicles has further deteriorated. TD needs to reassess the viability of the proposal to streamline the duty reporting arrangement for Driving Examiners; and

- (ii) ***Need to increase road test output by leveraging on new technology.*** Under the prevailing arrangement, in the morning of every working day, the administrative staff, as the persons-in-charge of the driving test centres, are required to take the candidates' paper driving test forms from the Pui Ching Road Office and travel to the assigned driving test centres for the Driving Examiners to conduct road tests. As the test forms contain personal data of the candidates, TD staff are required to bring back the test forms to the Pui Ching Road Office after closure of the test centres. The return trips for some remote test centres would take about an hour of travelling time. With the full rollout of the electronic test form using tablet computers in July 2022 to replace the paper test form, the test results recorded in the tablet computers will be uploaded to TD's computer system wirelessly and automatically and the personal data of candidates will be deleted from the tablet computers after the completion of the road tests. As a result, the need for the administrative staff to go back to the Pui Ching Road Office every working day to return the tablet computers will be obviated and the travelling time saved can be used for conducting more road tests (paras. 2.8 to 2.17).

Management of driving training schools

3. In Hong Kong, there are three types of driving training schools under TD's monitoring, namely designated driving schools, designated driving improvement schools and designated pre-service training schools. According to the Road Traffic Ordinance, the Commissioner for Transport may, in writing, designate any place as a driving school/driving improvement school/pre-service training school and may impose such conditions relating to the designation as the Commissioner considers appropriate (para. 3.3). Audit examination revealed the following areas for improvement:

- (a) ***Need to improve process of designation of new driving schools.*** According to TD, except for the New Kwun Tong Driving School (set up on a Government short term tenancy site) designated in August 2019, there had

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been no designation of any new driving school for over 10 years. The construction of the New Kwun Tong Driving School involved two phases. The site of the first phase involved the driving training and test area, and two containers (one for the test centre and one for storage purposes). The site of the second phase involved four to five containers for the purpose of classroom training, reception counter, changing room and washrooms. Audit examined the designation of the New Kwun Tong Driving School and noted the following irregularities:

- (i) ***Breach of undertaking/tenancy agreement.*** According to the undertaking submitted by the proprietor of the Driving School in its tender submission/tenancy agreement, the proprietor undertook to complete the key preparatory and gearing-up tasks and activities (e.g. site formation and construction) according to the schedule included in its tender submission, and commence the operation of the Driving School within 12 calendar months from the date of entering into the tenancy agreement (i.e. by October 2019). There were delays in completing some of the items, ranging from 48 to 136 days. In particular, the commencement of full operation of the Driving School approved by TD was delayed by about 1.5 months;
- (ii) ***Granting designation and approving provision of off-street training at Driving School before full completion of construction works.*** 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
- (iii) ***Operation of Driving School without occupation permits.*** While the Driving School had fully commenced its operation since November 2019, it was not until 4 June 2020 (i.e. some six months after the full commencement of the Driving School) that TD had learned from the proprietor that the Driving School had yet to obtain the temporary occupation permits from the Buildings Department. While the temporary occupation permits for the sites of the first phase and second phase were subsequently issued by the Buildings Department on 12 June 2020 and 7 December 2020 respectively, conducting driving training by the proprietor and providing driving test services by TD at the Driving School before

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obtaining the temporary occupation permits were in breach of the Buildings Ordinance (Cap. 123) (para. 3.5);

- (b) ***Need to ensure that required frequencies of inspections for driving training schools are met.*** According to TD's inspection guidelines, on average, each designated driving school and driving improvement school should be inspected on a bi-monthly basis, and each designated pre-service training school should be inspected every three months. Audit analysis of the time elapsed between the inspections conducted for designated driving schools, driving improvement schools and pre-service training schools in the period from the respective effective dates of the current inspection guidelines for the three types of schools (i.e. October 2018, July 2020 and June 2021 respectively) to October 2021 revealed that the required frequencies of inspections stipulated in TD's inspection guidelines were not met, as follows:
- (i) ***Designated driving schools.*** For all the four designated driving schools, they had not been 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 (averaging 3.09 months); and
- (ii) ***Designated driving improvement schools.*** For the 4 designated driving improvement schools, 1 (25%) had not been inspected, on average, on a bi-monthly basis (i.e. 2.23 months). Of the 7 inspections conducted for this school, 4 (57%) inspections were not conducted at least once in every two months, with intervals between inspections ranging from 2.40 to 4.31 months (averaging 3.09 months) (paras. 3.13 and 3.14); and
- (c) ***Need to ensure that the lists of course results submitted by designated driving improvement schools are accurate.*** According to TD, upon completion of a driving improvement course, each designated driving improvement school is required to submit to TD the course attendance record (i.e. a sign-in record of all participants), the student performance assessment form (i.e. a summary of participants' performance, including in-class performance and results of written assessment) and the list of course results (i.e. a document summarising the course attendance record and the student performance assessment form). TD will upload the list of

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course results to its computer system for automatic deduction of three Driving-offence Points for eligible drivers who have successfully completed the driving improvement course. Audit examination of the lists of course results submitted by the designated driving improvement schools in the period from November 2020 to October 2021 revealed the following:

- (i) ***Discrepancies between lists of course results and monthly reports.*** 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
- (ii) ***Discrepancies between lists of course results and student performance assessment forms.*** In three lists of course results submitted by two driving improvement schools in February, April and June 2021 respectively, there were 4 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 3 of them. Audit noted that while the 4 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 (paras. 3.18 and 3.19).

Licensing control of private driving instructors

4. The Government adopts a “two-pronged approach” in the provision of driver training. Apart from promoting off-street driver training through the establishment of designated driving schools, the Government maintains a proper supply of PDIs for on-street driver training. There are three Groups of PDI licences, namely 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). TD may consider issuing new PDI licences for a particular Group when the number of respective valid licences falls below the benchmark (i.e. 1,170 for Group 1, 130 for Group 2 and 230 for Group 3) by 10% (paras. 3.2, 4.2 and 4.3). Audit examination revealed the following areas for improvement:

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- (a) ***Need to take measures to address the high percentages of inactive PDIs.*** While there is no clear and widely accepted definition for determining whether a PDI is active or inactive, in reviewing the benchmarks of PDI licences under the Comprehensive Review on PDI Licences conducted from 2018 to 2019, TD gauged the availability of active PDIs in the market by making an estimate based on the information of PDIs who accompanied learner drivers to attend the driving tests in 2018. According to TD's estimation, 21%, 68% and 69% respectively of the licensed PDIs in Group 1, Group 2 and Group 3 were inactive. Modelling on TD's methodology, Audit analysed the licensed PDIs in Group 1, Group 2 and Group 3 as at 31 May 2021 and noted the following:
- (i) ***Percentages of inactive PDIs remained high.*** Of the 1,048, 116 and 181 Group 1, Group 2 and Group 3 PDIs, 333 (32%), 83 (72%) and 123 (68%) respectively did not offer any driver training in 2020; and
- (ii) ***PDIs repeatedly found to be inactive.*** Of the 333, 83 and 123 inactive Group 1, Group 2 and Group 3 PDIs, 210 (63%), 58 (70%) and 73 (59%) respectively were also found to be inactive in TD's previous two estimations conducted in 2016 and 2018 (paras. 4.5 and 4.6); and
- (b) ***Need to enhance roving inspections of PDIs.*** According to TD, with a view to assessing the standard of PDIs and their methods adopted for giving driving instruction, its Driving Examiners may conduct roving inspections of PDIs. Audit examination of the inspection reports of the 245 roving inspections conducted in the period from 2015 to 2021 revealed the following:
- (i) ***Number of roving inspections conducted.*** The annual numbers of roving inspections conducted fluctuated significantly, ranging from 0 in 2016 to 175 in 2021; and
- (ii) ***Percentages of active PDIs covered by roving inspections.*** Prior to 2021, all the roving inspections were conducted for Group 1 PDIs. Of the 158 PDIs covered by the 175 roving inspections conducted in 2021, 133, 12 and 13 were Group 1, Group 2 and Group 3 PDIs

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respectively, representing only 19%, 36% and 22% of the active PDIs as at 31 May 2021 (paras. 4.15 and 4.16).

Audit recommendations

5. **Audit recommendations are made in the respective sections of this Audit Report. Only the key ones are highlighted in this Executive Summary. Audit has *recommended* that the Commissioner for Transport should:**

Provision of driving test services

- (a) **regularly update the question banks for the driving written tests (para. 2.18(a));**
- (b) **take 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 Driving Examiners and leveraging on the implementation of electronic test form to increase the road test output (para. 2.18(b));**

Management of driving training schools

- (c) **draw lessons from the designation of the New Kwun Tong 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 submitted in tender submissions and tenancy agreements, and incorporating the requirement of obtaining occupation permits from the Buildings Department in tenancy agreements (para. 3.11(a)(i) and (ii));**
- (d) **take measures to ensure that the required frequencies of inspections stipulated in the inspection guidelines are met and the lists of course results submitted by designated driving improvement schools are accurate (para. 3.26(a)(i) and (iii));**

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Licensing control of PDIs

- (e) **closely monitor the percentages of inactive PDIs in the three Groups and if the percentages remain high, take appropriate measures to address the inactive PDI issue (para. 4.13(a)); and**
- (f) **enhance the roving inspections of PDIs, including setting target frequencies and numbers of scheduled and surprise roving inspections to be conducted and devising a systematic selection mechanism of PDIs to be inspected (para. 4.19(a) and (c)).**

Response from the Government

6. The Commissioner for Transport agrees with the audit recommendations.