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AA, Government on crash course over driving school

By STEPHEN CLARK

The Hongkong Automobile Association's plan for an off-street driving school in Aberdeen has ground to a halt.

And the association says it is the Government that has put the brake on the scheme.

But a senior Transport Department official denies that the Government has its foot on the brake pedal and added that the scheme may now be put out to tender.

A HKAA spokesman said yesterday that the association planned to invest around $3 million in the training centre.

But, before parting with such a large chunk of its members' money, it required some assurances from the Government regarding the long-term future of the centre.

These assurances were not forthcoming.

"Negotiations with the Government have ground to a halt because we could not have the security we needed on our investment in this project," the spokesman said.

The Government had stipulated that the association could not make any profit from the school — any surplus had to be ploughed back into the school.

The HKAA, however, wanted to use the surplus to improve not only the school, but the whole range of services the association offers to its members.

Furthermore, the Government would grant only a four-year lease on the centre.

But because of the amount of money being invested in the project, the association wanted a much longer lease, the spokesman said.

Negotiations between the Government and the HKAA about the scheme have been going on for more than two years.

The association's general committee, which represents the members, has approved the $3 million investment.

"Now it is up to the Government," the HKAA spokesman said.

He said the association had not completely "abandoned" the idea — it was more of a "breakdown in negotiations."

Meanwhile, the Transport Department's chief executive officer (licensing), Mr Colin Priston, said the HKAA had "known all along" that the lease was likely to be for only four years.

The 150,000 sq ft site outside Ocean Park is designated to the Urban Services Department, but the department has no use for the area until 1986.

Mr Priston said the lease would then revert back to the USD, although it may be extended should the department still not be in a position to use the site.

Mr Priston added: "The Government intended charging no rent for the site as the training centre was supposed to be a non-profit making project by a non-profit making organisation.

"Any surplus would be ploughed back into improving the venture. That was the basis upon which we agreed to let the site to the AA."

It was a different matter altogether, he said, if "profit" was to be used to benefit members of the association and not just the people who paid to use the centre.

He pointed out that the commercial rent on such a large site would be "enormous."

The HKAA's lease was due to run from May 1 and was all set to go ahead, Mr Priston said, when the Transport Department received a letter from the association saying that it could not go ahead with the plan unless the Government could offer a 10-year lease on the site with a guaranteed five-year lease on an alternative site.

"The association also wanted to be able to make a profit and to advertise at the site."

The requests were out of the question — the advertising issue being against lease conditions, Mr Priston said.

"If we were to allow the centre to be operated as a commercial venture, there would be other firms interested in it."

Consideration is now being given to inviting tenders for the scheme with it being run as a profit-sharing venture between the Government and a private concern — the Government charging rent and the private concern reaping any profits.

While the issue is being settled, the Government will mark out the area and, for a minimal charge, allow individual instructors to bring their own pupils to the centre.