

Humber Bridge Toll Increase – Objection from NAAT - 4 March 2009

INTRODUCTION

1. Good Afternoon, my name is John McGoldrick and I am representing the National Alliance Against Tolls. The alliance was formed five years ago to campaign against bridge and tunnel tolls.
2. I am pleased that you will be hearing from many witnesses who will make you aware of the adverse social and economic impact of the tolls. This is a change from the situation at the toll increase inquiry three years ago when there were only four official objections and three of those were from the bus companies. The increased interest is due to the combined efforts of the Humber Action Against Tolls group led by Jenny Walton, the four local councils and the local press, and I hope that all bridge users will applaud their efforts.
3. This Inquiry is nominally about a proposed increase in the tolls, but as with other toll increase Inquiries most of the attention is rightly on the issue of whether there should be any tolls at all.

TOLLS ARE UNFAIR

4. Our alliance believes that all tolls are unfair for three main reasons.
First of all they are a regressive tax that takes no account of ability to pay or the size of a car.
Secondly they are an additional burden on top of the other taxes that all road users pay, which amount to about £50 billion a year – very little of which is spent on the roads. In last week's Adjournment debate in the Commons (Tuesday 24th Feb) the Minister said that "*I hear the demands to write off debt and do away with tolls, but there are many competing demands, in terms of transport requirements, trains, bus subsidies and fare subsidies, that have to be met.*" There is however an essential difference between the users of public transport who are already subsidised and on the other hand drivers who pay about £7 in tax for each £1 that is spent on roads and bridges.
And **lastly** tolls are unfair because they are a random tax that depends on where you live. Northern Ireland has no tolls, and following campaigning by us and others there are now no tolls in Scotland. Even in England and Wales most people are not normally affected by tolls. Indeed even in those areas that are affected it is the general rule that most of the facilities for shopping, leisure, higher education, hospitals and work tend to be concentrated on one side of a crossing, and it is the people on the "wrong side of the tracks" who have to use the tolls the most.

TOLLS ARE UNECONOMIC

5. We also believe that tolls are uneconomic. They are an expensive tax to collect and they cause some drivers to detour on to longer routes.
But the biggest economic factor is of course the effect on businesses. Building a river crossing should be a major benefit to businesses in the region because it in

effect increases the catchment area for customers, workforce and suppliers. But to then put a toll on the crossing is similar to putting up a sign saying “KEEP AWAY”, and a large part of the economic benefits that should have arisen from building the crossing do not materialise. Almost everyone would accept that as self evident, but this was confirmed by research done on two of Scotland’s toll bridges – to Skye and over the Clyde. It was also of course confirmed by the recent study done for the four councils by Colin Buchanan. It was even in a way confirmed by the Minister in last week’s Adjournment debate when he said that “the amount of traffic was lower than forecast because the expected population growth on the south side of the Humber never materialised”. It is a pity that the Minister did not seem to realise that this effect was because of the tolls.

SOCIAL EFFECT OF TOLLS

6. The social effects are similar to the economic effects. That is to say, constructing a bridge unites communities, but then putting a toll on it divides families and friends. In the case of the Humber bridge tolls, they are of course a bigger barrier than in most cases as even without this latest increase they are jointly with the Severn bridges the most expensive crossing for cars in Britain.

JUSTIFICATION

7. Not only do tolls have adverse effects, the fact is that most people do not want them as shown by the record number of signatures on the national petition against road tolls and the votes against them in the Edinburgh and Manchester. So you may wonder how they are justified by Governments. Various reasons are given and if I can briefly cover three of the main ones that are relevant to this bridge.
8. The first reason was mentioned by the Minister in the Adjournment debate – “It has been the policy of all Governments since 1945 that estuarial crossings should be paid for by the user rather than the taxpayer”. But if narrowly defined there was in 1945 only one estuarial crossing. If more widely defined to cover all tidal waters, there are around Britain about one hundred crossings including some going to islands, but only nine are tolled. There are also another nine tolled bridges which are most obviously not estuarial such as the bridge at Dunham on the Lincolnshire / Nottinghamshire border where the then Minister approved a toll increase two years ago. So there is in fact no consistent policy on tolled crossings.
9. Secondly there is a common misconception that tolling is there to pay off debt. This conception probably arises because on some crossings the legislation said that the toll should be removed once any debt is paid off. In practice when the debt has been paid off, there will be another excuse found to keep the tolls. Two examples are the Forth Road bridge and the Dartford Crossings. The Forth bridge debt was paid off over ten years ago, but the tolls were not only kept but increased. The tolls were only removed last year following campaigning by us and others. The other main example is at Dartford where the M25 crosses the Thames. The debt was paid off about seven years ago, but again not only were the tolls kept they were increased as recently as last November.

10. It is in any case an accident of history whether there is any debt. On almost all roads and crossings there is no identifiable debt because they were never financed that way in the first place. In particular nothing built for the Government, such as the motorway system, ever has any debt identified with it. Even where there is identifiable debt on a tolled bridge it may, as in the case of the Humber bridge, have nothing to do with the cost of construction. There is debt because financing through tolls was failing and the Government of the day encouraged and permitted the Bridge Board to borrow rather than meet the losses in some other way.
11. In the case of three of the Scottish tolls that have been removed there was unpaid debt. So in summary, it is misleading to suggest that the reason for tolls is the debt. The real criteria for tolls is whether the authorities can get away with them.
12. The last reason for justifying tolls that I would like to cover is the excuse that the public purse would suffer if tolls were removed. The reality is that the effect on the public purse is negligible. There are debts of £333 million in the last Humber bridge accounts. But that debt has little substance. There is no money owing to the banks. There is not even money owing to the Public Works Loans Board as those debts were written off in 1998. All that remains is the “debt” to the Department for Transport, and the loss to the Government budget if it is written off is not that figure, it is whatever the Government receive as cash each year from the Bridge Board which is about £15 million.
13. The total gross loss to the public purse is a bit more than that figure as it is the annual tolls income of £22 million less the cost of collection of say £2 million. If the tolls were removed then the economic stimulus to the area would mean extra tax income and reduced benefits spending. This effect could completely offset the lost tolls income. But even if there were no offset then £20 million in terms of Government spending is infinitesimal. Before the bail out of the banks etc, the Government was planning to spend in the year from April £650 billion. That is over 300,000 times more than the gross loss if tolls are removed.
14. In conclusion I ask that the Inspector make the Minister aware of the unfairness of the tolls and that many of us believe that if the Government really want to help out the economy, then they should remove the tolls. During last week’s adjournment debate one of the MPs suggested that “an overwhelming number of people were in favour of paying a token toll, perhaps of £1?”. In my experience though people would obviously prefer a toll of £1 to a toll of £2.70 or £2.90, they do not want to pay tolls at all and that should be the ultimate aim.
15. As a first step to that aim, the Minister should write off all the debt using his powers under the Humber Bridge (Debts) Act 1996 which provides that “any sum (including interest) which would otherwise be payable to the Secretary of State by the Humber Bridge Board in accordance with an agreement under section 5(3) of the [1971 c. xlvii.] Humber Bridge Act 1971, and which is specified in the order, shall not be so payable”.
16. Thank you.