

Taxing travel

I saw in the press the case made for private sector run roads. The IEA pointed to the shortage of capacity of the current road system, the high pay backs that new road investment would achieve compared to new railway lines, and urged a more radical approach. The present government has ruled this out, and is only considering road user charging for lorries, not for private cars. Without a system of comprehensive user charging private run roads with private new investment are impossible. This article is not an attempt to re open this issue, which the government regards as settled.

In the run up to the 2010 election the Conservative party looked at a scheme to repay debt from franchise fees for roads whilst abolishing Vehicle Excise Duty, but decided against it. The Conservatives were keen to find ways of cutting state debt. I am not recommending this scheme now, and the numbers no longer work with lower interest rates on government borrowing. I thought it might be of interest to see what has been explored and rejected in the past in the light of some people's wish to re open road pricing as an issue.

The aims set were

- 1 Abolition of Vehicle Excise Duty, introduction of road charges. Road users overall to pay no more in tax and no less as a result of the change
2. Tax road use rather than vehicle ownership
- 3 Raise a large sum of money from the private sector to pay off some national debt.
4. Government to retain the freehold of the road network so we were not selling long term national assets
- 5 Motorists to display and register their insurance so there remained accessible records of vehicles in use
- 6 Private managers of the highways network incentivised to increase capacity, safety and availability of road space
- 7 Price controls to stop monopoly exploitation of popular roads at popular times of day.
8. Winners from the scheme to be people on lower incomes, low mileage drivers and users of roads at off peak periods

The scheme entailed introducing road charges to replace the lost VED revenue. The government was to offer franchises to the private sector to manage and improve the main roads and to collect the charges to pay for the maintenance, management and franchise premium paid to the state. The franchises were to be auctioned for a specified price, with bidders bidding for length of contract. There would be absolute price controls to stop monopoly exploitation, allowing franchise holders to charge less off peak as they saw

fit. The numbers worked to deliver £ 100 bn of capital to the government to repay debt, with later reversion of the franchises to do it again.

Private management of the highways was likely to result in improvements to flows and use, with less time with intrusive roadworks and closures. Franchise holders could add to the network, with incentives to spend capital on road improvement and protection for sunk capital if they lost the public sector road franchise.

The leadership considered it carefully but rejected it because it had a big political drawback . The public were so distrustful of government that they did not believe any government would honour the promise not to charge more.

The scheme did of course offer a useful tax cut to those using the main roads less than the average. It was particularly helpful to low income and elderly households who drive fewer miles. The user charges only applied to the national trunk and motorway network.

Today interest rates are lower so the public finances would lose out from the loss of state revenue, so it is a non runner. The scheme worked financially only because the state saved in interest costs from debt repayment what it had lost in VED revenue forgone. Today some people are proposing a switch from VED to road charges but all collected by the state. This cuts out revenue loss but fails to deliver service improvements in highway provision. With user charges the motorist would likely get even more critical of the poor service and availability of roadspace in the UK with a public monopoly.

[Liquor Licensing Board to meet on Tuesday](#)

The following is issued on behalf of the Liquor Licensing Board:

The Liquor Licensing Board will meet on Tuesday (February 20) to consider three applications for new issue, renewal, transfer or amendment of liquor licences.

The applications are (not in order of discussion):

Hong Kong:

—
Ophelia in Wan Chai
Akinna Bar in North Point

Kowloon:

—
Cali-Mex in Tai Kok Tsui

The meeting will be held at 9.45am in the conference room, Room 102,

1/F, 258 Queen's Road East, Wan Chai. Members of the public are welcome to attend, except during the private session on confidential items.

[Transcript of remarks by CS at media session \(with video\)](#)

Following is the transcript of remarks by the Chief Secretary for Administration, Mr Matthew Cheung Kin-chung, at a media session after attending a radio programme this morning (February 18):

Reporter: Mr Cheung, while you said you welcome young people from across the political spectrum to join the government programmes that nurturing young politicians, how do you expect young people from pro-democracy side, or even localists to join your programmes? Or how would you attract them?

Chief Secretary for Administration: We are open in terms of listening ideas from all people in Hong Kong. Look at the young people, the self-recommendation scheme is proved to be a huge success. We've got over 1 100 applications, applying purely for 11 posts, so 100 people is applying for one position. They are all unpaid or voluntary work, but the candidates are of very high quality, very serious and coming for interview panel session. So I am very encouraged by the overwhelming response, and I am sure this will be a new beginning, a good breakthrough, in terms of establishing communication, establishing rapport with our young people.

(Please also refer to the Chinese portion of the transcript.)

[The Vice President of India inaugurates the international Theatre Olympics being held in India for the first time; Releases festival logo: 'Flag of Friendship'](#)

The Vice President of India Shri M. Venkaiah Naidu inaugurated the 8th international Theatre Olympics 2018 at the majestic Red Fort in New Delhi today. The Minister of State for Culture (I/C) and Environment, Forest & Climate Change, Dr Mahesh Sharma, Theodoros Terzopoulos (Chairman of International Committee of Theatre Olympics, Greece), Acting Chairman of

National School of Drama Society, Dr. Arjun Deo Charan, Prof.

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All arts, all thoughts must move in one direction to bring in universal brotherhood: Vice President

The Vice President of India, Shri M. Venkaiah Naidu has said that all arts, all thoughts must move in one direction to bring in universal brotherhood. He was addressing the gathering after inaugurating the 8th Theatre Olympics and releasing it's logo titled 'Flag of Friendship', here today.

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Author: