



Media Release

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Regional fuel tax an illusion

Road Transport Forum Chief Executive Ken Shirley has dismissed the proposal of a regional fuel tax for Auckland as little more than an illusion.

“Regional fuel taxes are a nonsense,” Shirley says. “They are notoriously inefficient, never deliver the revenue that is promised and very difficult to administer.”

In New Zealand’s case, tax is imposed on fuel at Marsden Point making it a single-point, one-off transaction recovered at the pump by fuel companies. That then goes into the National Land Transport Fund along with Road User Charges and is used to fund roading projects across the country including a 50 percent funding of local roads.

“A regional fuel tax opens the door for a black market as well as gaming of the system outside of wherever the tax boundary is set. Naturally, of course, every council around New Zealand could justify their own regional fuel tax fund.”

“As a means of revenue raising the road transport industry is far more enthusiastic about the possibilities related to congestion charging. Congestion charging has been shown in other parts of the world to have a direct impact on congestion as well as being a far more efficient and fairer means of raising revenue.”

“Overall, it is encouraging that both main parties are committed to improving transport infrastructure in Auckland. The road transport industry is extremely supportive of further investment; however, we are concerned that election campaign bidding wars are not the ideal time to make good enduring policy.”

“What is needed is well-considered planning and timing of projects as well as careful cost benefit analysis to make sure taxpayers are getting value for money,” says Shirley.

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