



Media Release

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BP's price tactics illustrate folly of regional fuel tax

BP's price spreading tactics in the lower North Island are a window into the future of Auckland's Regional Fuel Tax, says Road Transport Forum Chief Executive Ken Shirley.

"We have all known for a long time what the fuel companies do to reduce price gaps and spread their pricing around the country," says Shirley. "The email leaked to media only confirms how blatant that practice is."

"Unfortunately, in imposing a regional fuel tax on Auckland, Auckland Council and the Government have shown absolutely zero understanding of the retail fuel market and how prices are manipulated and massaged around the regions."

"It is obvious that what will happen come 1 July is that the fuel companies will spread the Regional Fuel Tax out around the country to soften its impact in the Auckland market."

"Already we have major price differences region-by-region so it will be almost impossible for NZTA to adequately police it. The Government would have been better off just increasing the general fuel tax, which is applied as a one-off transaction at the refinery, and specifically target that component to Auckland's transport needs."

"An even better option would be accelerating the development of a fair congestion charging scheme for some of the city's worst congested routes. That would be fair, equitable and truly regional."

"By trying to be cute with a regional fuel tax Auckland Council and the Government have naively played right into the fuel companies hands," says Shirley.

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