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Cut tax to make a difference at the pump

If this Government really wants to “make a difference at the pump”, they may want to consider their high tax take on fuel and their role in creating a competitive wholesale market before they criticise fuel companies, says Road Transport Forum (RTF) chief executive Nick Leggett.

“The Government appears to be confused around roads, cars, trucks and the use of fossil fuels,” Leggett says. “On one hand they are trying to close down use of fossil fuels in this country, and on the other they are criticising companies who sell them and probably see us as a ‘sunset country’ when it comes to their business.

“Today’s preliminary report from the Commerce Commission into the retail fuel sector clearly shows the high tax take, particularly when you add the regional fuel tax that Aucklanders pay.

“The Government’s reaction shows us once again, how anti-business they are. Shock, horror, large multi-national companies have seen a weakness in New Zealand and to counter the cost of them doing business in a small market, they have gamed that.

“This Government continues to show it does not understand basic economics.

“We look forward to seeing the Government’s response to the Commerce Commission’s final report and how they will act to create an active wholesale market. Unless they cut their massive tax take on petrol, that will be the only way they can ‘make a difference at the pump’.

“Businesses who will still have to rely on fossil fuels for some time because alternatives simply don’t exist, are concerned about this Government’s anti-business stance. In our industry they are also concerned that the tax take isn’t being put back into roads, which are deteriorating badly.

“The Government runs the risk of running big business out of town.”

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About Road Transport Forum New Zealand (RTF)

RTF provides unified national representation for several regional trucking associations. RTF members include Road Transport Associations NZ, National

Road Carriers, and NZ Trucking Association. The affiliated representation of the RTF is about 3,000 individual road transport companies which in turn, operate 16-18,000 trucks involved in road freight transport, as well as companies that provide services allied to road freight transport.

The road freight transport industry employs 26,600 people (3.0% of the workforce), has a gross annual turnover of \$6 billion, and transports about 70% of New Zealand's land-based freight measured on a tonne/kilometre basis.