



MEDIA RELEASE

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REGIONAL FUEL TAX IS A “HIGHWAY TO HELL”

Gull Says Tax Will Create A Dangerous Black Market In Fuel

Auckland, 29 March 2011 – Independent fuel retailer Gull New Zealand today slammed plans by the Auckland Council to levy a regional fuel tax which it says is one of the options to fund further investment in Public Transport but in reality is a “Highway to Hell.”

Dave Bodger Gull New Zealand GM says “Gull fully supports public transport initiatives but funding via regional fuel tax is poorly thought through and very poorly researched.”

Bodger adds that when the Government first mooted a regional fuel tax it was abandoned because of the complexity in enforcing it as well as false investment it would bring in service stations immediately outside the zone. The proposal by the Auckland Council could see an increase in fuel tax of up to 30 cents a litre (*NZ Herald, 24 March 2011*) which would be needed to cover annual repayments as part of a transport infrastructure 30-year loan.

“Why introduce something that we already know won’t work, which is why it was abandoned in the first place? Why allow for a tax that people will flout by filling up cars and petrol containers outside the Auckland region that will also lead to large amounts of commercial diesel being trucked into Auckland and delivered into uncontrolled yard tanks?”

“The Regional Tax will create a huge black market in fuel that will be dangerous and costly to everyone especially for the ratepayers that can least afford it,” says Bodger.

“Why set up a brand new bureaucracy to refund people the tax when they use diesel or petrol off road? Why set up new rules about whether a marina fuel installation should pay the tax and then stop cars filling on the wharf?”

“It is really disappointing that we went to the cusp of this totally inefficient tax a couple of years ago and now we have to waste time in arguing against it again. Please let businesses get on with our business.”

Bodger adds that re-introducing an abandoned scheme shows a distinct lack of imagination by the Auckland Council.

“Surely the Council has access to good advice, has a range of funding options and listens to the people of Auckland. The people of Auckland will reject this like they did before. More importantly in the interests of safety we should not introduce a tax that will see huge amounts of fuel traded on the black market. Without doubt people will smuggle fuel from other regions to avoid paying the tax and make money.”

ENDS