Greens say fuel duty cut would not fix the cost of living crisis

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- People need help right now but cuts to fuel duty aren't targeted to support the poorest
- Focus should be on an uplift to the incomes of the poorest while ensuring everyone can keep warm in their homes

Responding to pressure from some Tory MPs for a fuel duty cut in the Spring budget statement [1], Greens have said such a cut is not going to fix the cost of living crisis, is not targeted to support the poorest households and is the wrong approach faced with a climate emergency and the need to transition away from fossil fuels.

Co-leader, Adrian Ramsay, said:

"This is a difficult time for those who need to use cars and vans for work, to visit family and access shops and leisure, particularly where public transport is so inadequate due to years of underinvestment and cuts to services.

"We absolutely know people need help right now - but cuts to fuel duty aren't targeted to support the poorest and the greatest numbers of people. They're not going to fix the cost of living crisis.

"Research shows such a cut would mainly benefit the richest while doing little or nothing to help those on the lowest incomes [2].

"It is also worth noting that prices at the pumps have risen by no more than inflation since 2011 [3], and since March 2021 have increased by 35% compared to a 275% increase in the gas retail price over the same period [4].

"Faced with a climate emergency and the need for a rapid transition away from fossil fuels, we also need to acknowledge that now is not the time to cut fuel duty. It is really disappointing to see Labour has jumped on this particular bandwagon.

"Our focus should be on an uplift to the incomes of the poorest while ensuring everyone can keep warm in their homes. That's why Greens want to see a dirty profits tax — a windfall tax — on fossil fuel companies who are raking in billions on the back of rising energy prices. This could restore the £20 uplift to Universal Credit and double it to £40 per week, and extend emergency fuel payments, providing each household with an additional £320 to help them pay for spiralling domestic energy costs [4]."

Notes

- 1. <u>Fuel duty cut in Spring Statement 2022 'inevitable' as Rishi Sunak drops big hint Mirror Online</u>
- 2. https://twitter.com/NEF/status/1505850705952788480
- 3. Petrol Prices (speedlimit.org.uk)
- 4. Wholesale Energy Prices for Oil, Gas and Electricity Interactive Charts (cliffordtalbot.co.uk)
- 5. <u>Government energy loans will increase household fuel debt to £7.2bn, Green co-leaders warn | The Green Party</u>

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