



THE DOMINION POST WEEKEND

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Saturday-Sunday May 3-4 2008

\$2.00 Freight: (Auckland, South Island) \$2.40



KD Lang's watershed

B6



Bravery Star for hero

A3



Blokes and sheds

INDULGENCE

MORE THAN **540** JOBS PROPERTY & MOTING

By the time you read this story, Shell will have made **\$400,000**

BP will make **\$12 million** today

Threat of petrol at \$3 a litre

KERRY WILLIAMSON

THE spectre of \$3 a litre for petrol could become reality as pain at the pump turns chronic.

The warning this week from Opec that crude oil could reach US\$200 a barrel because of a weak United States dollar and geopolitical instability would push the price of unleaded 91 in New Zealand to \$2.80 a litre.

Combined with plans to allow regional councils to charge a 10-cents-a-litre fuel tax from July 1, and an expected emissions tax of between 6c and 8c a litre, then \$3 a litre becomes a possibility.

The rise would increase the cost of everything, sucking money out of the economy and forcing people out of their vehicles.

"The impossible has become possible," Westpac Bank chief economist Brendon O'Donovan said.

The Automobile Association urged the Government yesterday to commission an independent inquiry into fuel prices.

Mike Noon, AA's general manager of motoring affairs, said drivers were increasingly distrustful of oil companies "which continue to announce international record profits at levels beyond comprehension... We want to be sure that motorists aren't being overcharged."

Oil companies had done "a pretty poor job" of explaining price changes and the Economic Development Ministry could improve its monitoring, he said.

The AA has previously called for the gst component on petrol excise tax to be removed, which it says would reduce prices by 5.6c a litre. AA's PetrolWatch indicated the gst on all fuel sales was more than \$1 billion in 2007.

The Government has rejected the suggestion, saying a one-off gst change would have no impact on global forces driving petrol prices.

It has signalled it may delay an emissions tax, and National Party leader John Key has said he would postpone plans for a regional fuel tax should National win the election.

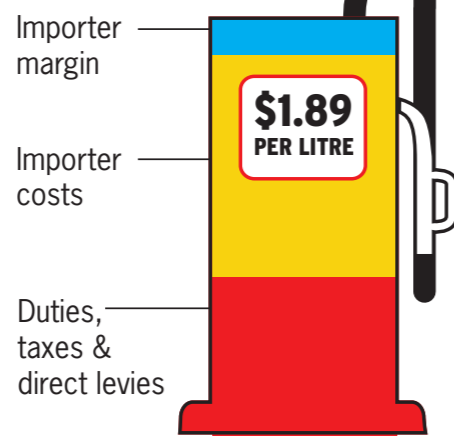
A barrel of crude oil dipped to about US\$116.40 this week, after reaching almost US\$120, but most analysts expect that to be a mere blip in an upward march.

Mr O'Donovan said till current exploration led to increased supply — expected in about three years — relief at the pump was a long way off.

The threat of \$3 a litre for petrol comes after a week in which the big oil companies announced record multibillion-dollar profits. In New Zealand, annual results are not expected for at least six weeks.

The reasons for rising international oil and refined fuel prices were unclear, Mr

PETROL PRICES



Where the taxes go

For each litre of petrol sold, the Government collects	50.541c
National Land Transport Fund	23.818c
Crown account.....	18.708c
ACC levy.....	7.330c
Local authority funds	0.660c
Collection costs	0.025c

The fuel excise tax raised \$726.5 million for the year ending June 30 2006. Source: MED

Noon said. "There has been no reduction in refining capacity, as happened as a result of Hurricane Katrina, nor any major geopolitical crisis... Commentators are now saying the increases are mostly due to speculators investing in commodity markets, and a softening US dollar."

According to Economic Development Ministry figures, profit margins hover around 17c a litre of petrol sold — about 4c more than a year ago, when petrol was about \$1.52 a litre.

New Zealand has the fifth-cheapest petrol of the 27 OECD countries, behind Mexico, Canada, the US and Australia.

Mr O'Donovan said international oil companies made their profits in the exploration and production sector, not retail and marketing.

His comments were echoed by industry analyst Richard Hale, who said that though motorists probably felt as if they were being ripped off, they probably weren't.

Record prices at the pump were due largely to the record price of crude, the falling US dollar, increased investment speculation and simple supply and demand, he said.

"It's kind of a long Katrina."



Look who's caught the bouquet

CHRISTIAN BULL, 3, is still being groomed for his debut at the Wellington Wedding Show, but when it comes to wedding bells his five-year-old sister Valentina and her best friend Loredana Unsworth are already seasoned pros.

They will be among the models displaying the latest in wedding fashion at this weekend's Overseas Terminal event. And while the tradition used to be to source something old, something new, something borrowed and something blue, more and more couples were also looking for designer threads for the kids to wear, show organiser Angela Vinaccia said.

"It's always the bride and groom's day, but for a few seconds the focus goes off them and on to the little ones."

Ms Vinaccia has featured her daughter Valentina in the annual show since she was three months old, but tomorrow would be her son Christian's first appearance. Both children loved the wedding dress-up, but Christian was especially excited. "He just loves wearing that white suit."

La' Shika, who tailored the suit, and Sherazad Silk, who made the girls' dresses, are just two of more than 130 designers, florists, photographers, limo

services and caterers on display. Now in its 11th year, the event showcases wedding trends, which this year include a return to roses, chocolate wedding cakes and personally designed elements such as wedding bands.

The event attracted 3000 romantics last year. And despite an international credit crunch and a world food price crisis, no one wanted to skimp on a couple's big day. "There's no such word as 'recession' in a bride's vocabulary, they're still spending the same amount of money and wanting to do the same things," Ms Vinaccia said.

Picture: PHIL REID

Police spoof e-mail earns suspension

EMILY WATT

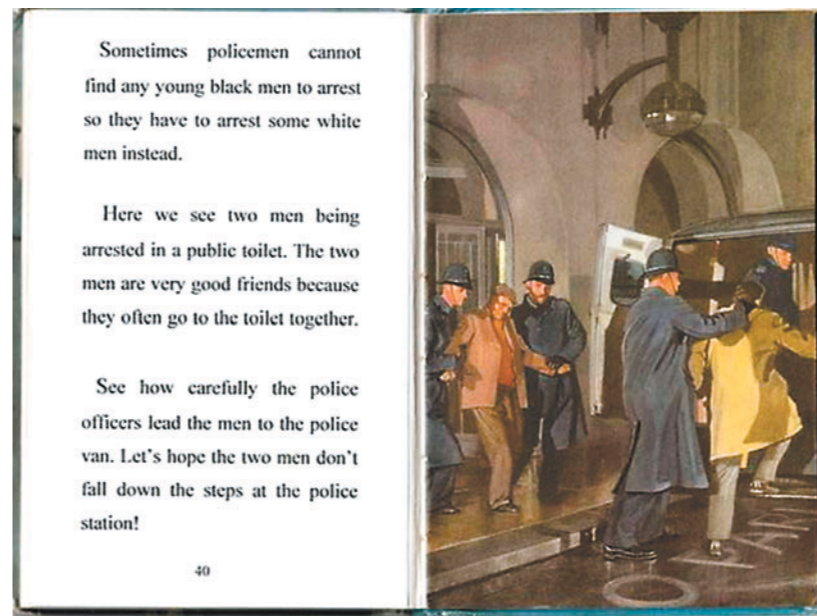
A POLICE officer has been suspended after he forwarded a joke e-mail that parodied police, painting them as prurient, hapless cuckolds who use their truncheons to elicit confessions.

The Wanganui officer was stood down for two days and questioned, after he forwarded the e-mail of a mock 1970s children's book, which takes the innocent tone of the genre and updates the text with modern themes — sex changes, terrorism, homosexuality, and infidelity.

"A policeman must always have his truncheon and notebook with him. The truncheon is used to hit a suspect if they resist arrest. Then their confession is written in the notebook," it says.

It is understood several officers received and forwarded the e-mail before the officer was stood down. He returned to work after being spoken to.

Police said the matter concerned the



officer's use of the computer network to distribute material, not just the content of the e-mail.

National MP Chester Borrows said it was ridiculous to stand the officer down when his services were needed.

He said he struggled to see how it broke any rules. "The police have quite rightly got a policy on objectionable material, but they haven't got a policy against humour."

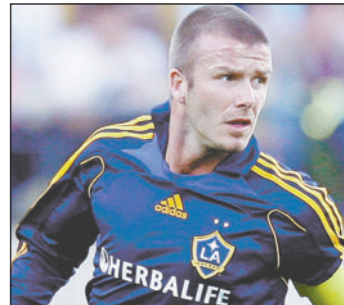
INSIDE



And now for the nudes

Former bikini stalker Lisa Lewis is breathing new life into her 15 minutes of fame after winning the race to become Alt TV's new naked newsreader. **A6**

Beckham back?



David Beckham's Los Angeles Galaxy is poised to return to New Zealand later this year. **D8**

Get your candles out

Power lines companies say electricity could be cut off 'without warning', for at least 30 minutes, as the industry gears up for the growing risk of blackouts. **A3**



LONG WEEKEND



Mock-up: An excerpt from the mock children's book.

Primary school children being offered at least one foreign language; singer Anne Murray is back on the road and a website strictly for the birds.



WEATHER: A18

WELLINGTON SHOWERS

KAPITI SHOWERS

AUCKLAND SHOWERS

TAURANGA SHOWERS

TAUPO SHOWERS

WANGANUI SHOWERS

GISBORNE CLOUDY

NAPIER/HASTINGS CLOUDY

PALMERSTON NTH SHOWERS

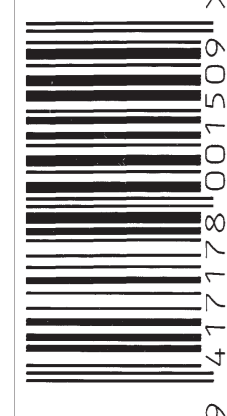
MASTERTON SHOWERS

NELSON FINE

BLenheim SHOWERS

CHRISTCHURCH SHOWERS

INDEX: A2



"WE HAVE TO BEAT THE LIONS TO STAY IN THE HUNT" - RODNEY SO'OIALO

HURRICANES vs LIONS Tonight 7.35pm Westpac Stadium

The boys are back from Africa. Get to the game to show them your support! Get in before 6.45pm to beat the queue.



Tickets at hurricanes.co.nz 0800 111 999 or Ticketmaster outlets