

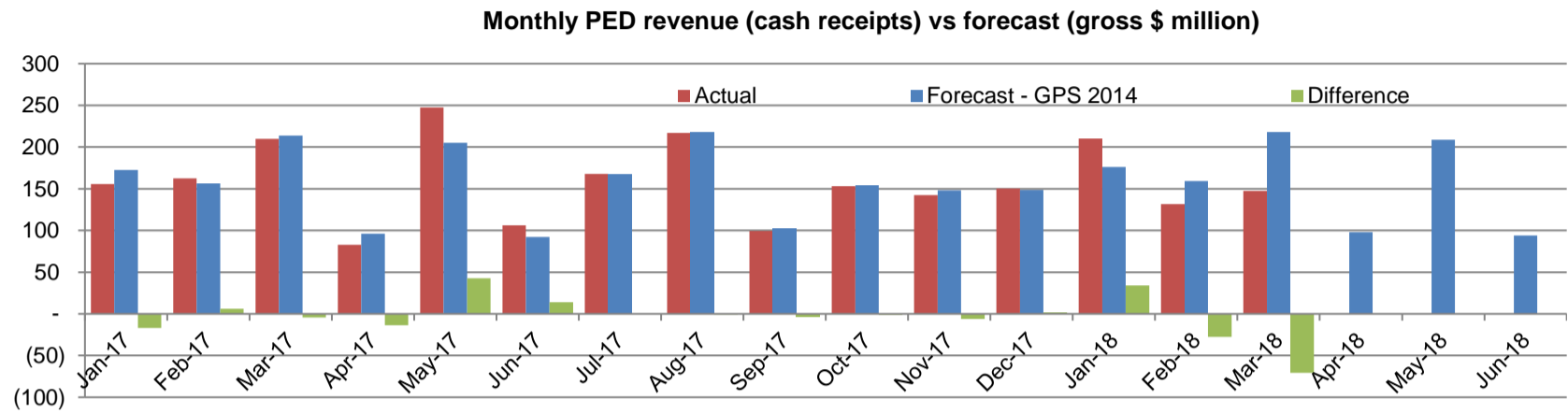
## Revenue Monitoring Snapshot – as at 31 March 2018

Revenue monitoring snapshots are prepared by the Ministry of Transport each quarter. The snapshots report actual revenue received by the National Land Transport Fund (NLTF) for the financial year to date. Actual revenue is broken down by revenue stream: petrol excise duty, light road user charges, heavy road user chargers and motor vehicle registrations.

Actual revenue for each revenue stream is compared to the Government Policy Statement on land transport (GPS) 2015 forecast (based on the Budget Economic and Fiscal Update 2014 forecast). The GPS 2015 forecast was used to set the activity class funding ranges for the GPS 2015, which determine expenditure for the three year National Land Transport Programme (NLTP). We compare actual revenue to the GPS 2015 forecast because this has implications for NLTF expenditure.

### Petrol Excise Duty (PED)

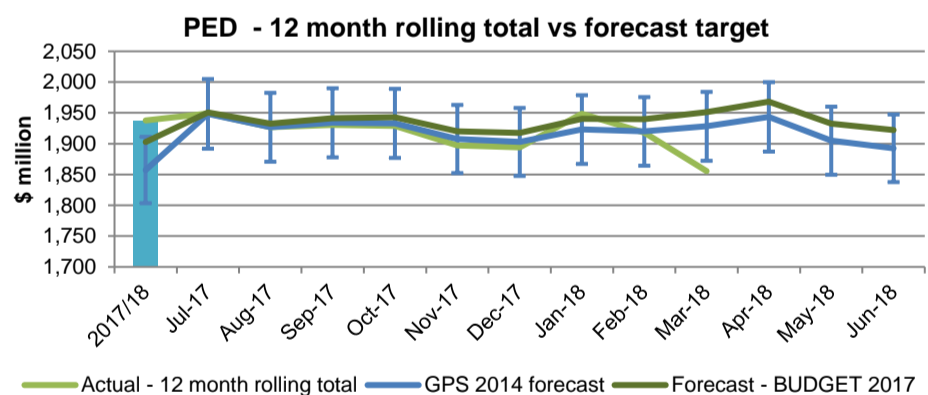
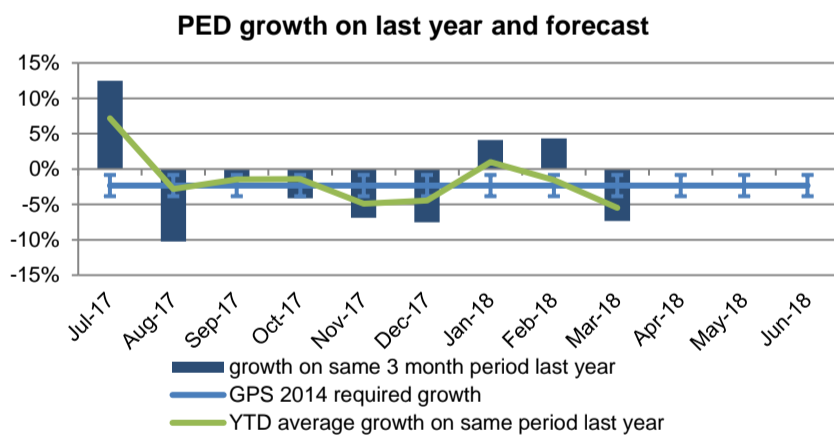
PED revenue is around \$1.94 billion each year. This is approximately 54 percent of total NLTF revenue.



	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	YTD
<b>\$ million Actual</b>	156	162	210	83	248	106	168	217	99	153	142	150	210	132	147	-	-	-	<b>1419</b>
<b>Forecast - GPS 2015</b>	173	156	214	96	205	92	167	218	103	154	148	149	176	159	218	98	209	94	<b>1492</b>
<b>Difference \$</b>	<b>-16.9</b>	<b>6.0</b>	<b>-4.1</b>	<b>-13.6</b>	<b>42.6</b>	<b>14.0</b>	<b>0.6</b>	<b>-0.6</b>	<b>-3.3</b>	<b>-0.9</b>	<b>-6.0</b>	<b>1.7</b>	<b>34.2</b>	<b>-27.7</b>	<b>-70.6</b>				<b>-72.6</b>
<b>Difference %</b>	<b>-9.8%</b>	<b>3.8%</b>	<b>-1.9%</b>	<b>-14.1%</b>	<b>20.8%</b>	<b>15.3%</b>	<b>0.4%</b>	<b>-0.3%</b>	<b>-3.2%</b>	<b>-0.6%</b>	<b>-4.0%</b>	<b>1.1%</b>	<b>19.4%</b>	<b>-17.4%</b>	<b>-32.4%</b>				<b>-4.9%</b>
<b>GPS 2015 Low</b>	168	152	208	94	199	90	163	212	100	150	144	144	171	155	212	95	203	91	<b>1451</b>
<b>GPS 2015 High</b>	178	161	220	99	211	95	172	224	105	159	153	153	181	164	224	101	215	97	<b>1535</b>
<b>Forecast - BUDGET 2015</b>	171	155	212	95	203	91	167	217	102	154	148	148	175	159	217	98	208	93	<b>1486</b>
<b>Forecast - BUDGET 2016</b>	172	156	213	96	204	92	164	213	100	151	145	146	172	156	214	96	205	92	<b>1462</b>
<b>Forecast - BUDGET 2017</b>	177	160	219	99	210	94	170	221	104	157	151	151	179	162	221	100	212	95	<b>1515</b>

#### PED revenue is tracking below the GPS 2015 forecast

- Actual revenue in the first three quarters of 2017/18 has tracked below the revenue predicted in the GPS 2015 forecast (down by \$72.6 million or 4.9 percent).
- We expect this lower than forecast revenue for February and March 2018 can be attributed to regular volatility of PED revenue caused by the timing of shipments of petrol. We expect revenue for April and May 2018 to be stronger than forecast.



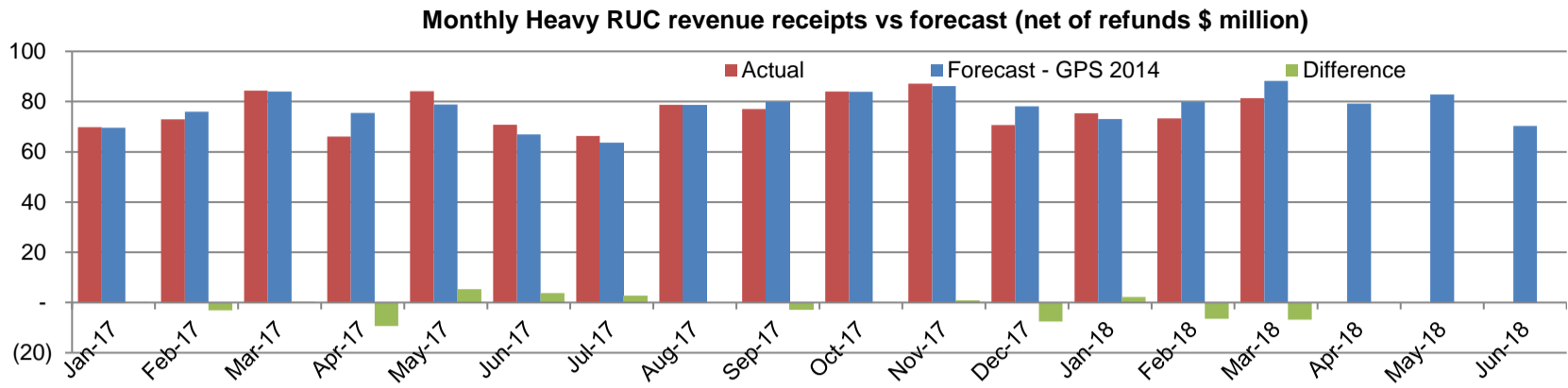
#### Forecast growth for the year

- The GPS 2015 forecast assumes annual revenue growth. In 2016/17 forecast growth was higher than forecast with actuals being \$80.5 million above forecast (4.3%). For 2017/18, revenue growth can be lower (up to -2.3%) and remain on track to meet the GPS 2015 forecast revenue for 2017/18.
- Over the past 12 months, year-to-date average growth has come in at -5.5 percent, which is below forecast. This indicates slower than forecast growth for 2017/18. However, early indications from April and May 2018 PED revenue show that PED growth is likely to be consistent with the GPS 2015 forecast.

**Note about PED revenue and travel demand:** Revenue receipts for PED are based on wholesale supply (when petrol is refined at Marsden point, and when refined petrol is imported) and are very volatile depending on the timing of shipments. This volatility can even affect annual totals, depending on which 12 months are included. Changes in the quantity of stock held by petrol suppliers and the 1-2 month lag between shipment and payment of duties can also distort the relationship between supply and demand as well as estimates of average fuel efficiency.

## Heavy Road User Charges (RUC)

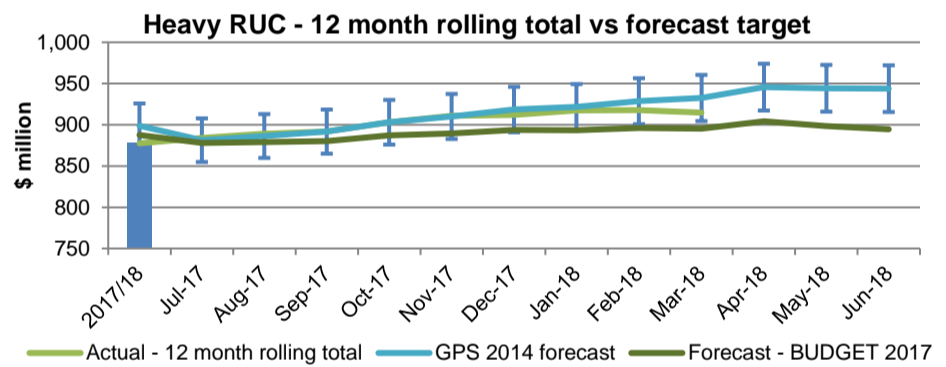
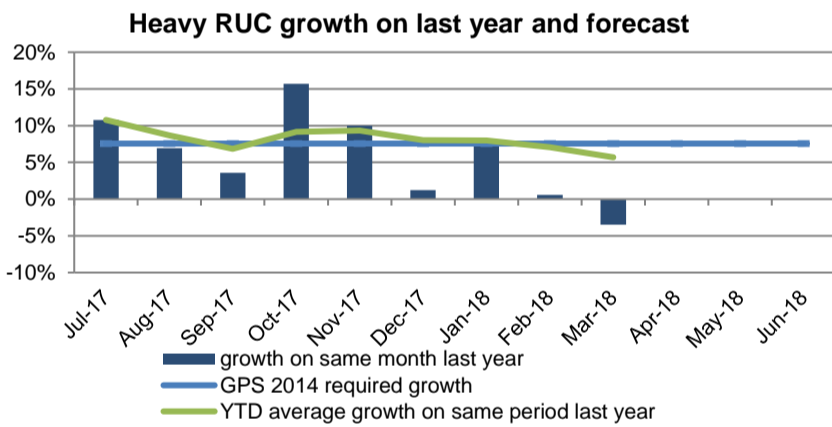
Heavy RUC revenue is around \$880 million each year. This is approximately 24.5 percent of total NLTF revenue.



	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	YTD
<b>\$ million Actual</b>	70	73	84	66	84	71	66	79	77	84	87	71	75	73	81	-	-	-	<b>694</b>
<b>Forecast - GPS 2015</b>	70	76	84	75	79	67	64	79	80	84	86	78	73	80	88	79	83	70	<b>712</b>
<b>Difference \$</b>	0.2	-3.1	0.3	-9.4	5.3	3.8	2.6	0.0	-2.7	0.1	0.9	-7.5	2.2	-6.5	-6.8				<b>-17.6</b>
<b>Difference %</b>	0.3%	-4.0%	0.4%	-12.4%	6.7%	5.7%	4.1%	0.0%	-3.4%	0.1%	1.0%	-9.6%	3.0%	-8.1%	-7.8%				<b>-2.5%</b>
<b>GPS 2015 Low</b>	67	73	81	73	76	65	62	76	77	81	83	75	71	77	85	76	80	68	<b>687</b>
<b>GPS 2015 High</b>	71	78	86	77	80	68	65	81	82	86	88	80	75	82	90	81	85	72	<b>728</b>
<b>Forecast - BUDGET 2015</b>	70	76	84	76	79	67	64	79	80	84	86	78	73	80	88	79	83	70	<b>713</b>
<b>Forecast - BUDGET 2016</b>	67	73	81	73	76	65	61	75	76	80	82	74	70	76	84	75	79	67	<b>677</b>
<b>Forecast - BUDGET 2017</b>	69	75	83	74	78	66	60	75	76	80	82	74	69	76	84	75	78	67	<b>674</b>

### Heavy RUC revenue is tracking slightly below the GPS 2015 forecast

- Actual revenue is tracking slightly below the GPS 2015 forecast for the first three quarters of 2017/18 (down by \$17.6 million or 2.5 percent).
- Although the GPS 2015 forecast was used to set the expenditure levels for the 2015-18 NLTP, we regularly update the forecast taking into account the changing economic conditions. Budget 2017 forecast, which is most recent, is more conservative than previous forecasts for heavy RUC.
- While actual revenue forecast is tracking below the GPS 2015 forecast, it is performing better than the revised Budget 2017 forecast.



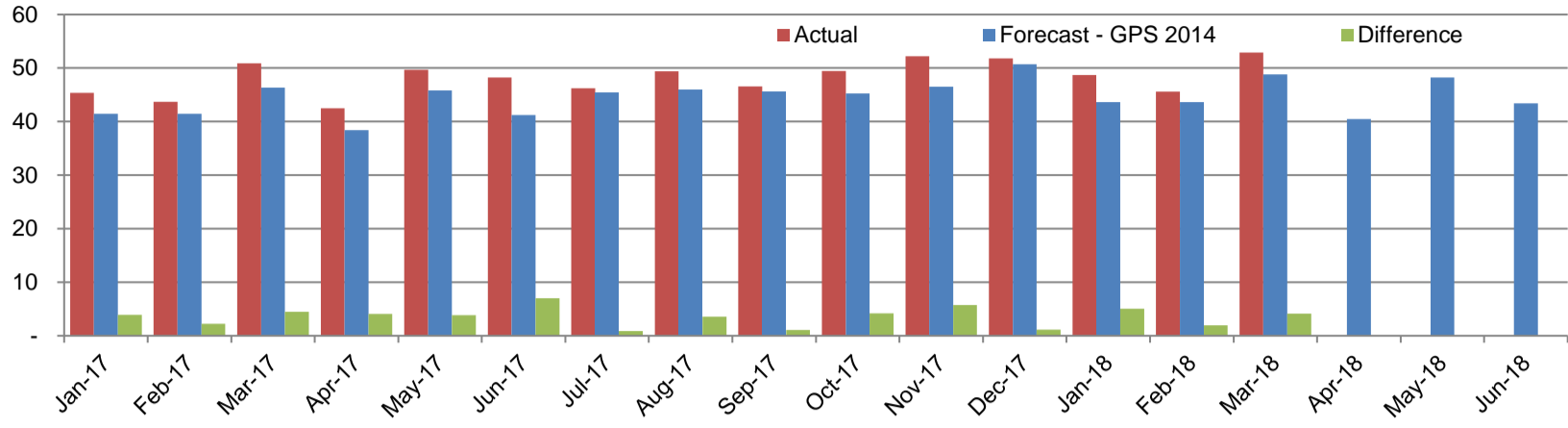
### Forecast growth for the year

- Growth of 7.6 percent in heavy RUC growth is required in 2017/18 to meet the annual growth as forecasted in GPS 2015. With no increase in heavy RUC rates in 2017/18, growth will need to come from volume growth (heavy RUC kilometres purchased).
- Over the past 12 months, year-to-date average growth has come in at 5.7 percent, which is lower than the 7.6 percent growth forecasted in GPS 2015.

# Light Road User Charges (RUC)

Light RUC revenue is around \$560 million each year. This is approximately 15.5 percent of total NLTF revenue.

Monthly Light RUC revenue receipts vs forecast (net of refunds \$ million)

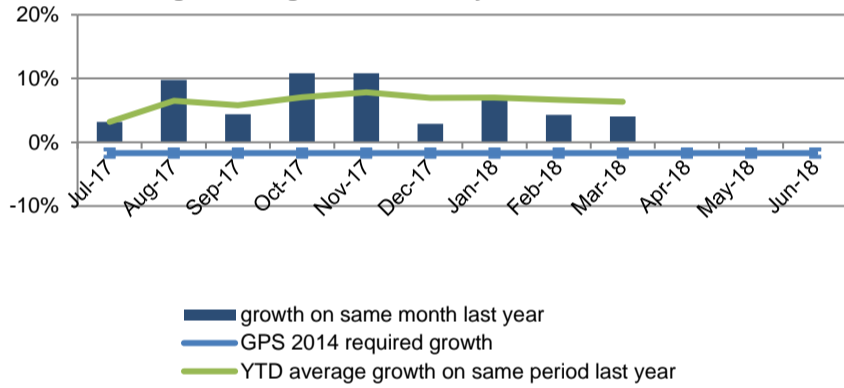


	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	YTD
<b>\$ million Actual</b>	45	44	51	42	50	48	46	49	47	49	52	52	49	46	53	-	-	-	<b>443</b>
<b>Forecast - GPS 2015</b>	41	41	46	38	46	41	45	46	45	45	47	51	44	44	49	40	48	43	<b>415</b>
<b>Difference \$</b>	3.9	2.3	4.5	4.1	3.8	7.0	0.8	4	1	4	6	1	5	2	4				<b>27.6</b>
<b>Difference %</b>	9.5%	5.4%	9.7%	10.6%	8.4%	17.0%	1.8%	0	0	0	0	0	0	0	0				<b>6.6%</b>
<b>GPS 2015 Low</b>	40	40	45	37	45	40	44	45	44	44	45	49	42	42	47	39	47	42	<b>404</b>
<b>GPS 2015 High</b>	43	43	48	40	47	42	47	47	47	47	48	52	45	45	50	42	50	45	<b>429</b>
<b>Forecast - BUDGET 2015</b>	40	40	45	37	45	40	45	45	45	45	46	50	43	43	48	40	48	43	<b>410</b>
<b>Forecast - BUDGET 2016</b>	40	40	45	37	44	40	44	45	44	44	45	49	42	42	47	39	47	42	<b>404</b>
<b>Forecast - BUDGET 2017</b>	44	44	50	41	49	44	46	46	46	46	47	51	44	44	49	41	49	44	<b>421</b>

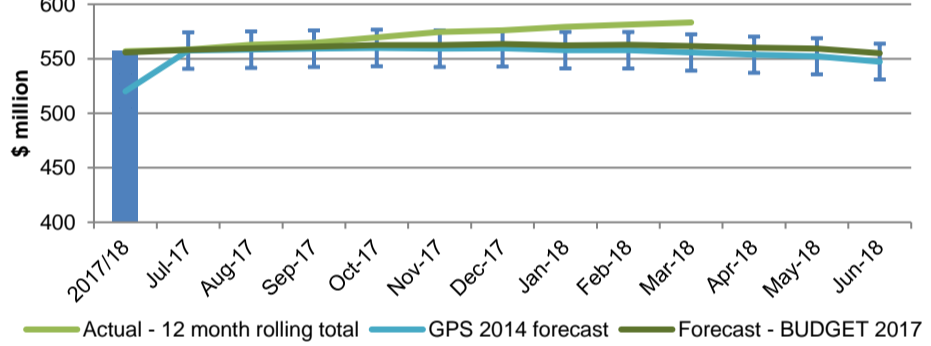
## Light RUC revenue continues to track above forecast

- Actual revenue is tracking above the GPS 2015 forecast for the first three quarters of 2017/18 (up by \$27.6 million or 6.6 percent). This follows on from strong revenue growth (7.1 percent) in 2016/17. We expect revenue from light RUC to continue to grow.

Light RUC growth on last year and forecast



Light RUC - 12 month rolling total vs forecast target

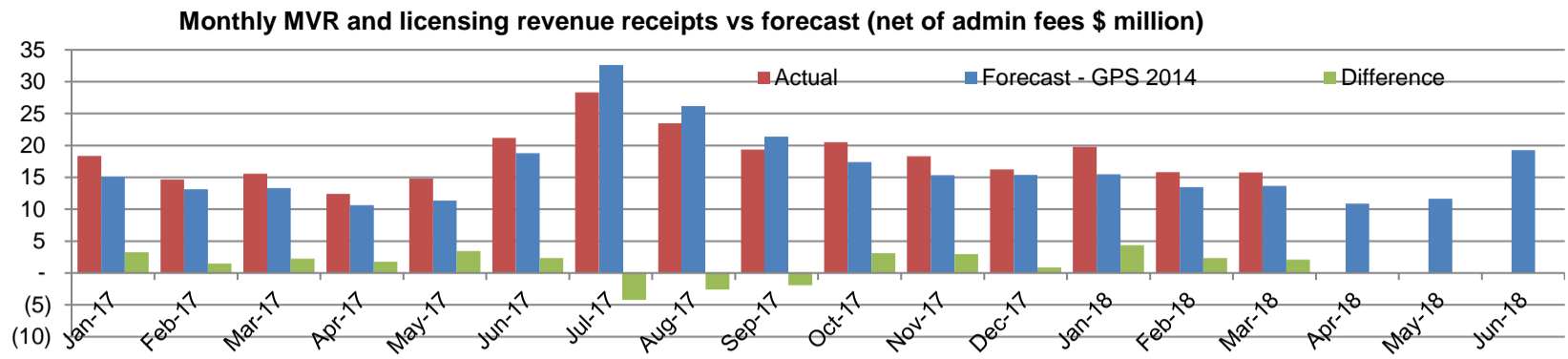


## Forecast growth for the year

- Due to the high growth in 2016/17, the growth rate for light RUC can be lower (up to -1.7 percent) compared to 2016/17 actuals to meet the GPS 2015 forecast.
- Light RUC continues to perform stronger than the forecast. The Ministry of Transport is predicting revenue growth in the 6.0 percent to 7.0 percent range on the 2016/17 actual light RUC revenue.

## Motor Vehicle Registrations (MVR)

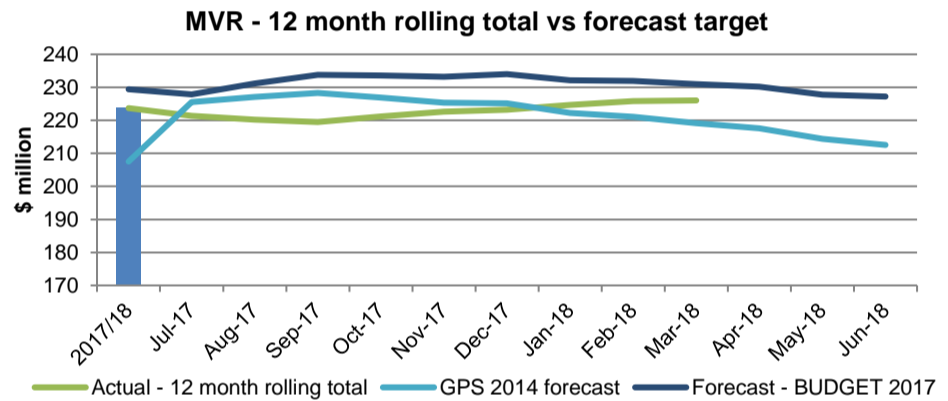
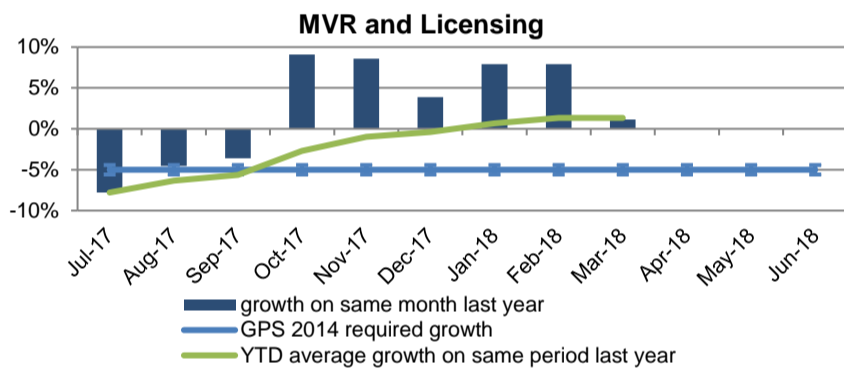
MVR revenue is around \$220 million each year. This is approximately 6 percent of total NLTF revenue.



	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	YTD
<b>\$ million Actual</b>	18	15	16	12	15	21	28	23	19	21	18	16	20	16	16	-	-	-	<b>178</b>
<b>Forecast - GPS 2015</b>	15	13	13	11	11	19	33	26	21	17	15	15	15	13	14	11	12	19	<b>171</b>
<b>Difference \$</b>	3.3	1.5	2.2	1.8	3.5	2.4	-4.3	-2.6	-1.9	3.1	3.0	0.8	4.4	2.3	2.1				<b>6.9</b>
<b>Difference %</b>	21.6%	11.4%	16.8%	16.8%	30.5%	12.6%	-13.1%	-10.0%	-9.1%	17.9%	19.2%	5.5%	28.1%	17.4%	15.3%				<b>4.0%</b>
<b>Forecast - BUDGET 2015</b>	14	12	13	10	11	18	30	24	20	16	14	14	14	13	13	10	11	18	<b>159</b>
<b>Forecast - BUDGET 2016</b>	16	14	14	11	12	20	34	27	22	18	16	16	16	14	14	11	12	20	<b>177</b>
<b>Forecast - BUDGET 2017</b>	17	15	15	12	13	21	35	28	23	19	16	16	17	14	15	12	12	21	<b>183</b>

### MVR revenue is on track

- Actual revenue is above the GPS 2015 forecast by \$6.9 million (4.0 percent) for the first three quarters of 2017/18. This follows a stronger than predicted second and third quarter.



### Forecast growth for the year

- Due to strong revenue from MVR in 2016/17, growth can be lower (up to -5.0 percent) compared to 2016/17 actuals to meet the GPS 2015 forecast. Year-to-date average growth shows 1.3 percent growth for MVR.