

Revenue Monitoring Snapshot – as at 31 December 2015



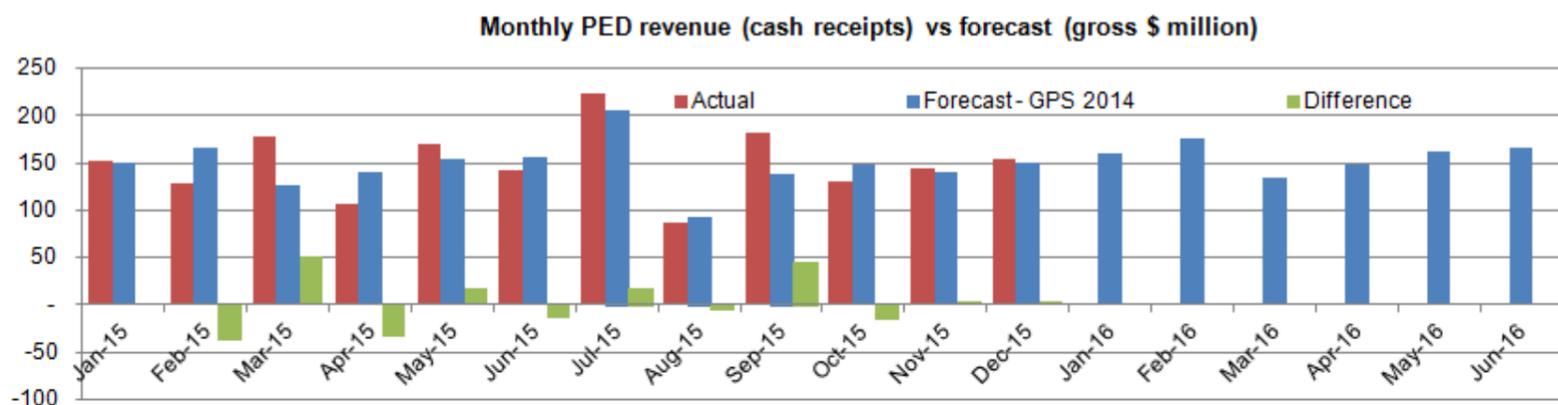
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Disclaimer: This paper is presented not as policy, but with a view to inform and stimulate wider debate.

Petrol excise duty (around \$1,800m p.a. – 54% of total NLTF revenue)

Petrol excise revenue shows some growth

- Actual revenue in the first half of the year has tracked above the revenue predicted in the GPS 2014 forecast (up by \$48.5 million, or 5.6%). The reason for this large over prediction is high September revenue (due to a large shipment coming in).
- Despite the volatility in the timing of shipments, there are indications of modest growth for 2015/16 in line with forecasts.

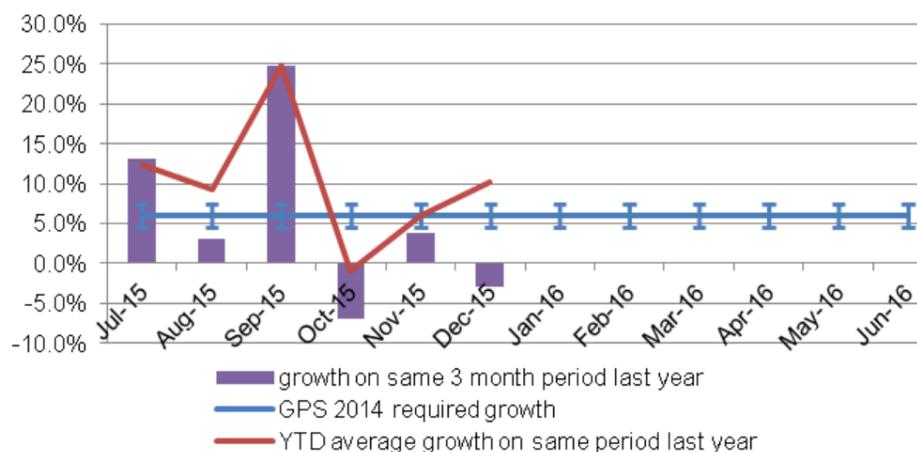


	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	YTD
\$ million Actual	153	128	178	106	170	143	223	86	183	131	143	154	-	-	-	-	-	-	920
Forecast - GPS 2014	150	167	127	140	153	157	205	93	137	148	139	150	159	176	134	148	162	166	871
Difference \$	2.2	-38.3	50.8	-33.7	17.1	-14.3	18.4	-6.2	45.4	-17.1	3.9	4.1							48.5
Difference %	1.4%	-23.0%	40.0%	-24.1%	11.2%	-9.1%	9.0%	-6.7%	33.0%	-11.6%	2.8%	2.8%							5.6%
GPS 2014 Low	146	162	123	136	149	153	199	90	134	144	135	146	155	171	131	144	157	161	847
GPS 2014 High	155	171	131	144	158	162	211	95	141	152	143	154	164	181	138	152	167	171	896
Forecast - BUDGET 2013	149	165	125	138	151	155	204	92	137	147	139	149	158	175	134	147	161	165	868
Forecast - OBU 2014	150	167	127	140	153	157	205	92	137	148	139	150	159	176	134	148	162	166	870
Forecast - BUDGET 2015							203	92	136	146	138	148	157	174	133	147	160	164	863

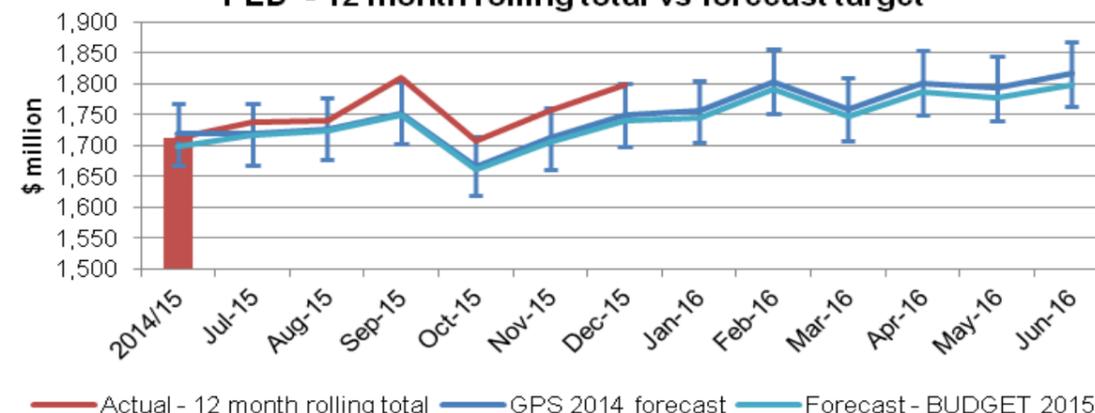
Forecast growth for the year

- The GPS 2014 forecasts represent forecast growth of 6% on 2014/15 actuals:
 - 5.3% coming from PED rate increase (the 3 cents per litre increase on 1 July 2015)
 - 0.7% forecast growth in petrol volumes.

PED Growth on last year and forecast



PED - 12 month rolling total vs forecast target



Note about petrol excise duty revenue and travel demand: Revenue receipts for petrol excise duty are based on wholesale supply (when petrol is refined at the 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.

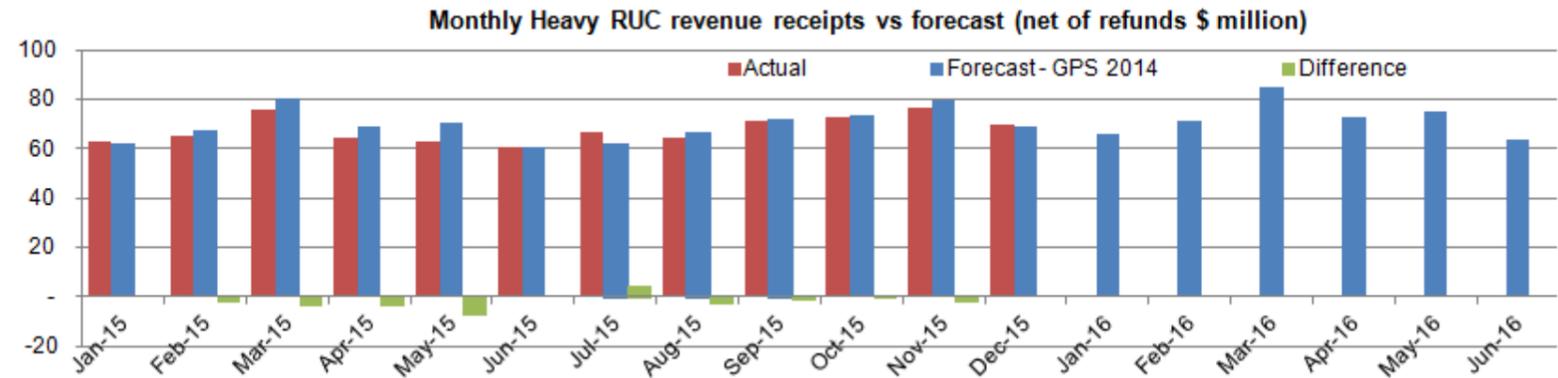
Heavy RUC (around \$860m p.a. – 25.5% of total NLTF revenue)

Heavy RUC revenue remains sluggish

- Actual revenue is tracking close to forecast for 2015/16, down by \$1.5 million (-0.4%) for the year to date.
- This is slightly concerning as Heavy RUC revenue growth was 1.3% under forecast for 2014/15 – due to a drop in revenue at the end of the financial year.
- Higher revenue levels may still be seen in the coming months, as the 4% increase in heavy RUC rates that took effect on 1 July 2015 start to flow in once pre-purchased RUC runs out.

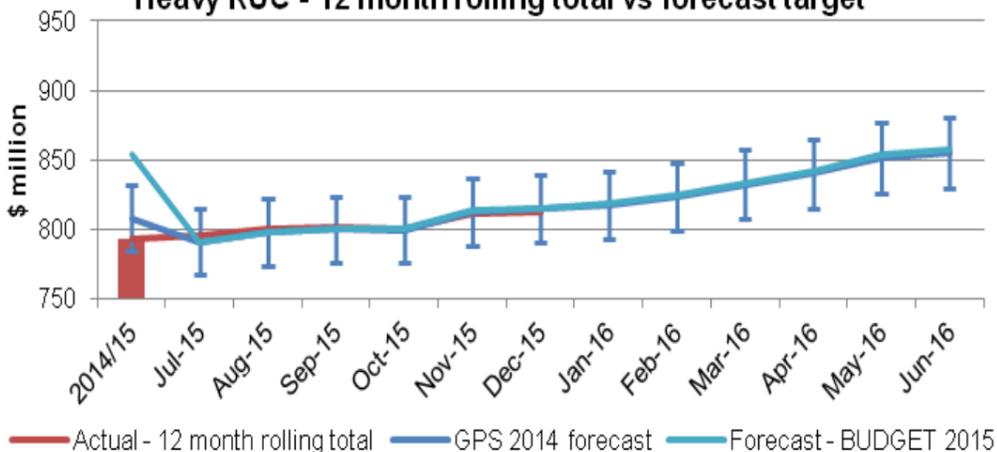
Heavy RUC growth lower than GPS forecast

- The GPS forecasts for 2015/16 require high Heavy RUC volume growth following from revenue growth 1.3% under forecast for 2014/15.
- GPS forecasts require growth of 7.7% on 2014/15 actuals:
 - 4.0% coming from Heavy RUC rate increase
 - 3.7% forecast growth in Heavy RUC kms purchased.
- Sluggish growth in 2014/15, and the first half of 2015/16, suggests revenue growth by the end of the year will be closer to 4%.
- However, the year to date growth is slightly negative (-0.4%)

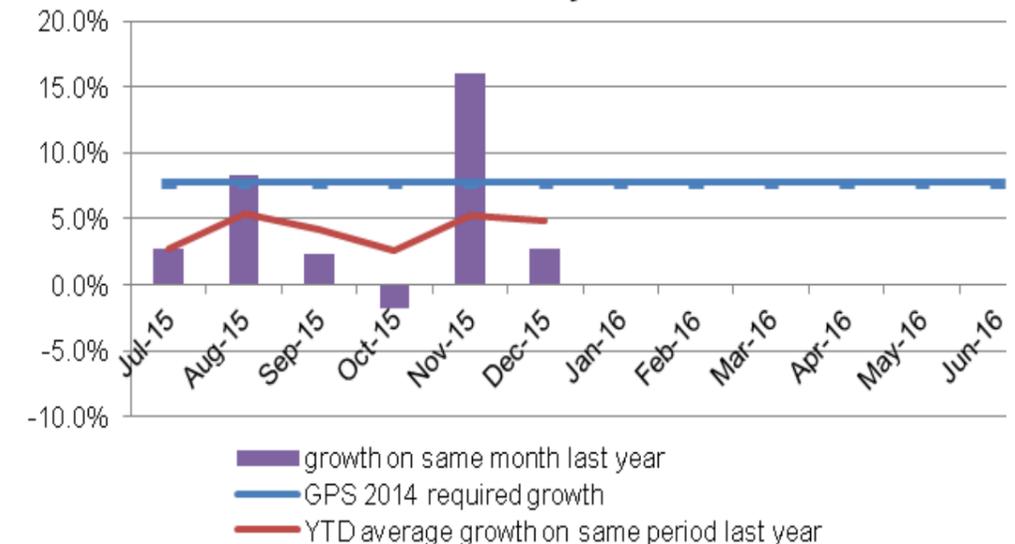


	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	YTD
\$ million Actual	63	65	76	65	63	61	67	64	71	72	77	69	-	-	-	-	-	-	421
Forecast - GPS 2014	62	67	80	69	71	60	62	66	72	73	79	69	66	71	85	73	75	64	422
Difference \$	0.9	-2.2	-4.0	-4.1	-7.5	0.3	4.4	-2.2	-0.2	-1.1	-2.6	0.2							-1.5
Difference %	1.4%	-3.3%	-5.1%	-6.0%	-10.6%	0.4%	7.1%	-3.4%	-0.3%	-1.4%	-3.3%	0.3%							-0.4%
GPS 2014 Low	60	65	77	66	68	58	60	64	69	71	77	67	63	69	82	70	72	62	407
GPS 2014 High	63	69	82	70	72	62	63	68	73	75	81	71	67	73	86	74	76	65	430
Forecast - BUDGET 2013	66	71	85	73	75	64	67	71	77	79	85	74	71	77	91	78	80	69	454
Forecast - OBU 2014	62	68	80	69	71	61	62	66	71	73	79	69	65	71	84	72	74	63	419
Forecast - BUDGET 2015							62	66	72	74	79	69	66	72	85	73	75	64	423

Heavy RUC - 12 month rolling total vs forecast target



H RUC Growth on last year and forecast

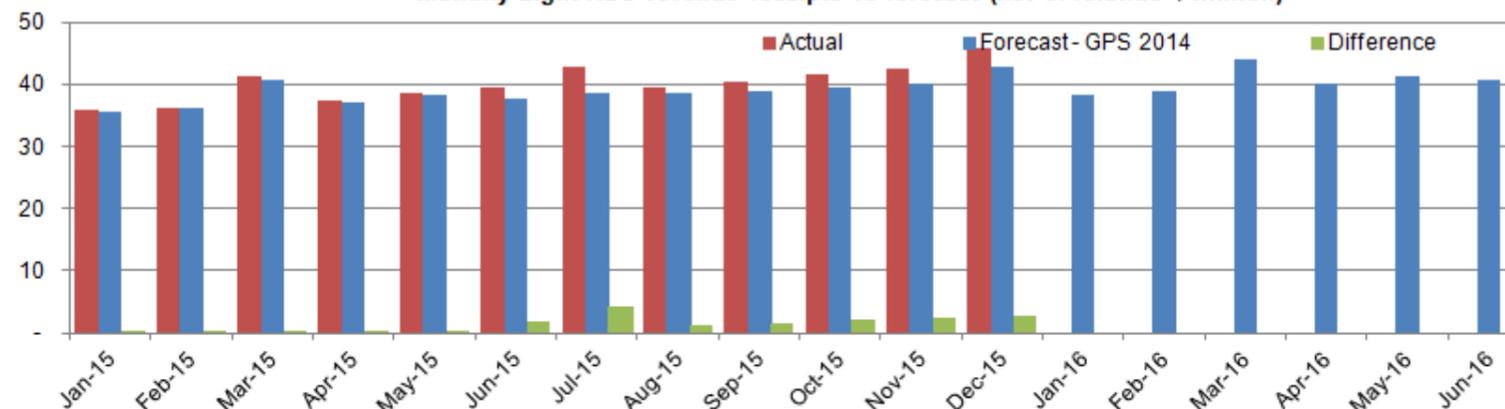


Light RUC (around \$490m p.a. – 14.5% of total NLTF revenue)

Light RUC continues to track above forecast

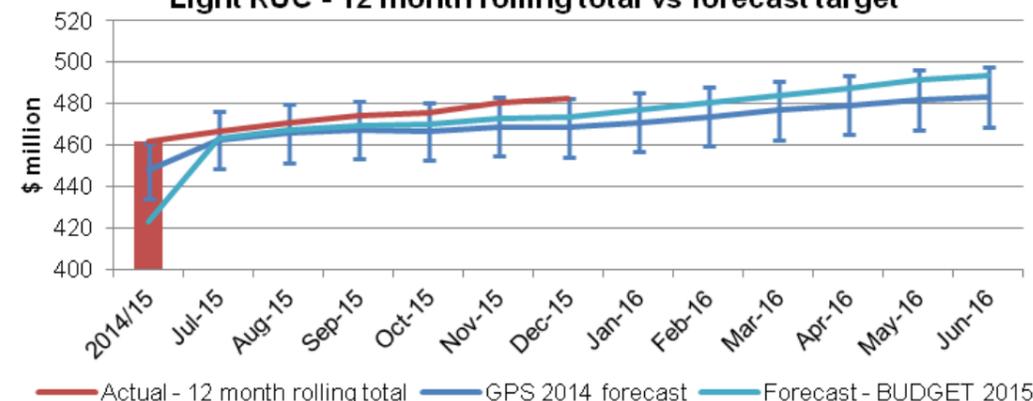
- Revenue is above forecast by \$14.3 million (6%) for the first half of the year. This follows on from strong revenue growth (13.4%) in 2014/15, and the expectation is for revenue to continue to rise.
- The GPS forecasts for 2015/16 require revenue growth of just 4.7% following very strong growth the previous year.
- Budget 2015 forecasts represent forecast growth of 6.9% on 2014/15 actuals:
 - 6.9% coming from Light RUC rate increase
 - A small decrease is forecast for Light RUC kms purchased.
- GPS forecasts represent forecast growth of 8.6% on 2013/14 actuals:
 - 10.0% coming from Light RUC rate increase
 - With a small drop of 1.4% forecast for Light RUC kms purchased.

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



	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	YTD
<i>\$ million</i> Actual	36	36	41	38	39	40	43	40	41	42	43	46	-	-	-	-	-	-	253
Forecast - GPS 2014	36	36	41	37	38	38	39	39	39	40	40	43	39	39	44	40	41	41	239
Difference \$	0.2	0.0	0.5	0.3	0.3	1.8	4.4	1.1	1.5	2.2	2.3	2.9							14.3
Difference %	0.5%	0.1%	1.1%	0.9%	0.7%	4.8%	11.3%	2.8%	3.8%	5.5%	5.7%	6.7%							6.0%
GPS 2014 Low	35	35	40	36	37	37	37	37	38	38	39	42	37	38	43	39	40	40	232
GPS 2014 High	37	37	42	38	39	39	40	40	40	41	42	44	40	40	46	41	43	42	246
Forecast - BUDGET 2013	34	34	39	35	36	36	36	36	37	37	38	41	36	37	42	38	39	38	226
Forecast - OBU 2014	38	39	44	40	41	41	38	38	39	39	40	43	38	39	44	40	41	41	238
Forecast - BUDGET 2015							39	39	40	40	41	44	39	40	45	41	42	42	244

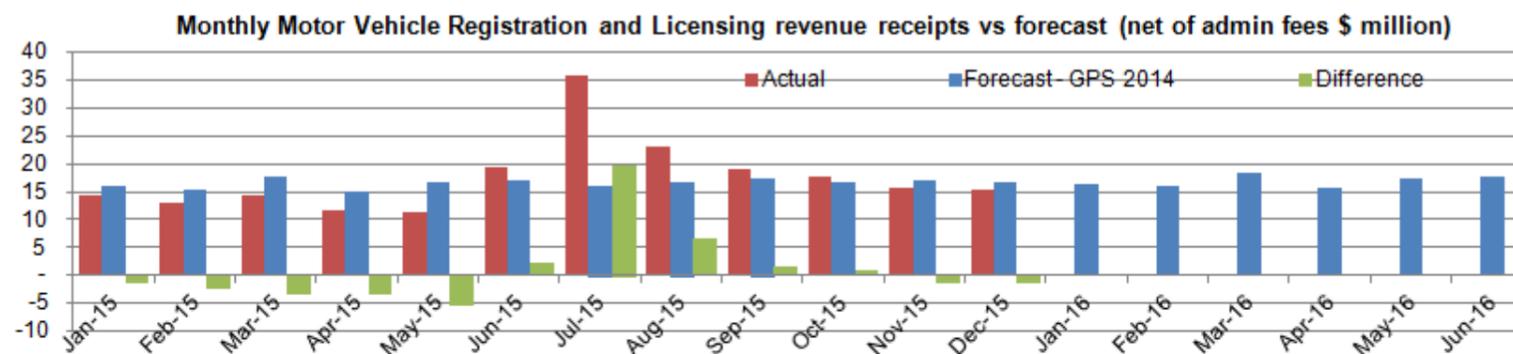
Light RUC - 12 month rolling total vs forecast target



MVR (around \$200m p.a. – 6% of total NLTF revenue)

MVR Revenue continues to bounce back from 2014/15

- Actual revenue is well above the GPS 2014 forecast by \$25.9 million (25.7%).
- This was expected due to the reduction of ACC levies on 1 July 2015. Acknowledging this information, individuals delayed their re-licensing until the reduced ACC levies took effect. This interpretation fits with the July 2015 revenue spike, and the lower than forecasted actual revenue in 2014/15.
- The net impact of the ACC changes is expected to be zero, although the changes may be hiding some base growth in 2014/15.



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<i>\$ million</i> Actual	14	13	14	12	11	19	36	23	19	18	16	15	-	-	-	-	-	-	126
Forecast - GPS 2014	16	15	18	15	17	17	16	17	17	17	17	17	16	16	18	16	17	18	100
Difference \$	-1.5	-2.3	-3.4	-3.6	-5.5	2.2	19.8	6.5	1.7	1.0	-1.6	-1.6							25.9
Difference %	-9.4%	-15.1%	-19.5%	-23.9%	-32.7%	12.8%	123.0%	39.1%	10.0%	6.1%	-9.2%	-9.5%							25.7%
Forecast - BUDGET 2013	16	15	18	15	17	17	16	16	17	16	17	17	16	16	18	15	17	17	99
Forecast - OBU 2014	16	15	17	15	16	17	15	16	17	16	16	16	16	15	17	15	17	17	96
Forecast - BUDGET 2015							15	16	17	16	16	16	16	15	17	15	17	17	96

