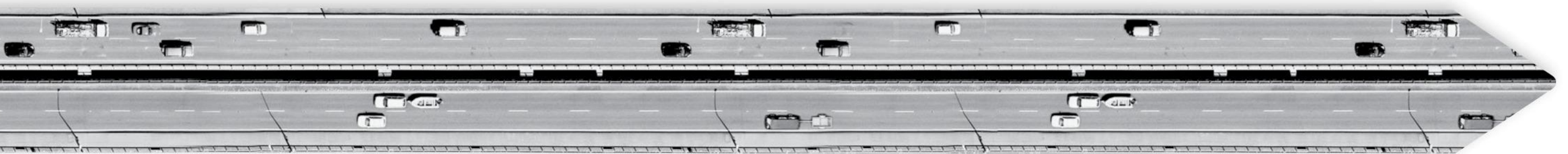


## Revenue Monitoring Snapshot – as at 31 March 2015



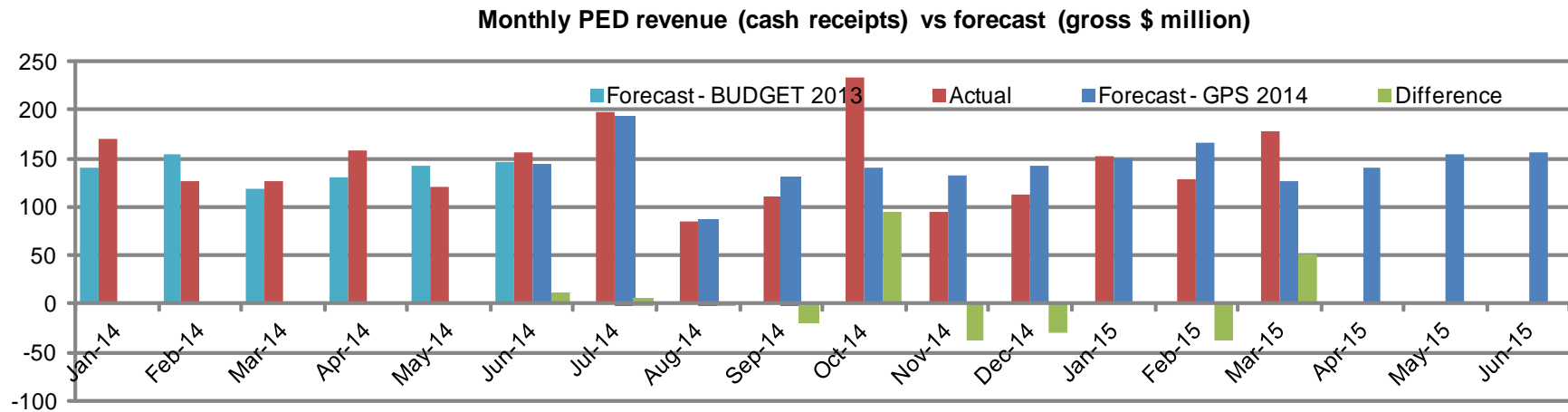
| <b>Contents</b>    | <b>Page</b> |
|--------------------|-------------|
| Petrol Excise Duty | 2           |
| Heavy RUC          | 3           |
| Light RUC          | 4           |
| MVR                | 5           |

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

# Petrol excise duty (around \$1,600m p.a. – 55 % of total NLTF revenue)

## Revenue remains on track

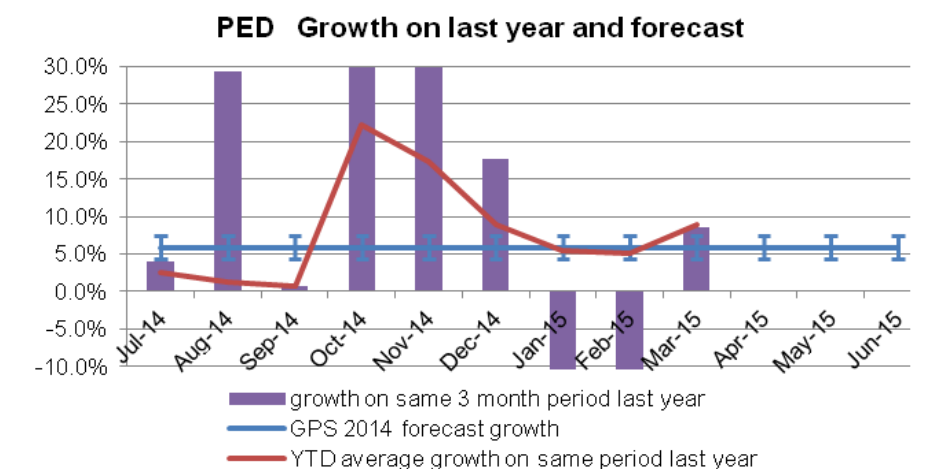
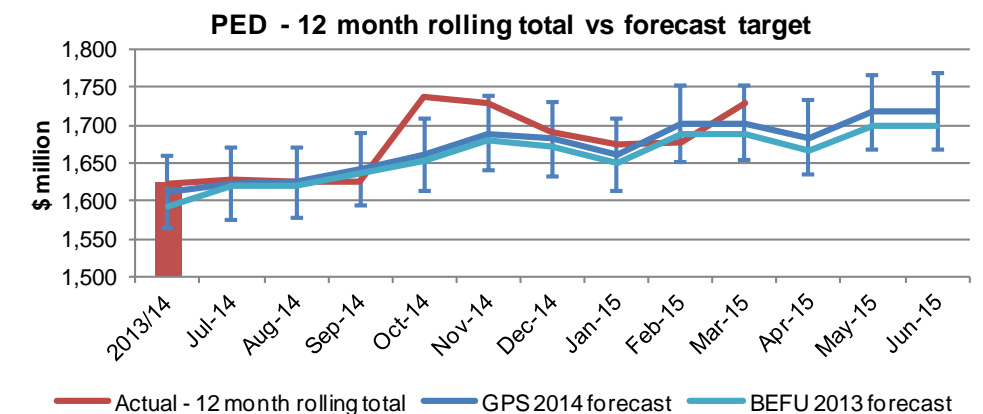
- Revenue over the last quarter has tracked closely to the growth predicted in the GPS 2014 forecast.
- Overall, revenue is in line with GPS forecasts, agreed in June 2014 (up by \$25.3 million, or 2%).



| \$ million                    | Actual | 171 | 126 | 126 | 159 | 120 | 155  | 199  | 85    | 111    | 234   | 95     | 112    | 153  | 128    | 178   | -   | -   | -           | YTD         |
|-------------------------------|--------|-----|-----|-----|-----|-----|------|------|-------|--------|-------|--------|--------|------|--------|-------|-----|-----|-------------|-------------|
| <b>Forecast - GPS 2014</b>    |        |     |     |     |     |     | 144  | 194  | 88    | 130    | 140   | 132    | 142    | 150  | 167    | 127   | 140 | 153 | 157         | <b>1268</b> |
| Difference \$                 |        |     |     |     |     |     | 10.8 | 4.8  | -3.0  | -18.6  | 94.0  | -37.0  | -29.6  | 2.2  | -38.3  | 50.8  |     |     |             | <b>25.3</b> |
| Difference %                  |        |     |     |     |     |     | 7.5% | 2.5% | -3.4% | -14.3% | 67.3% | -28.1% | -20.9% | 1.4% | -23.0% | 40.0% |     |     |             | <b>2.0%</b> |
| <b>GPS 2014 Low</b>           |        |     |     |     |     |     |      | 188  | 85    | 126    | 136   | 128    | 138    | 146  | 162    | 123   | 136 | 149 | 153         | <b>1233</b> |
| <b>GPS 2014 High</b>          |        |     |     |     |     |     |      | 199  | 90    | 134    | 144   | 136    | 146    | 155  | 171    | 131   | 144 | 158 | 162         | <b>1305</b> |
| <b>Forecast - BUDGET 2013</b> | 139    | 154 | 118 | 130 | 142 | 146 | 191  | 87   | 128   | 138    | 130   | 140    | 149    | 165  | 125    | 138   | 151 | 155 | <b>1253</b> |             |
| <b>Forecast - OBU 2014</b>    |        |     |     |     |     |     |      |      |       |        | 140   | 132    | 142    | 150  | 167    | 127   | 140 | 153 | 157         | <b>1268</b> |

## Higher than expected growth on 2013/14

- The GPS forecasts represent forecast growth of 5.9% on 2013/14 actuals:
  - 5.6% coming from PED rate increase (the 3 cents per litre increase on 1 July 2014)
  - 0.3% forecast growth in petrol volumes
- Year to date growth on the same period as last year is higher than forecast (8%). This is largely a result of higher than expected growth in petrol volumes.

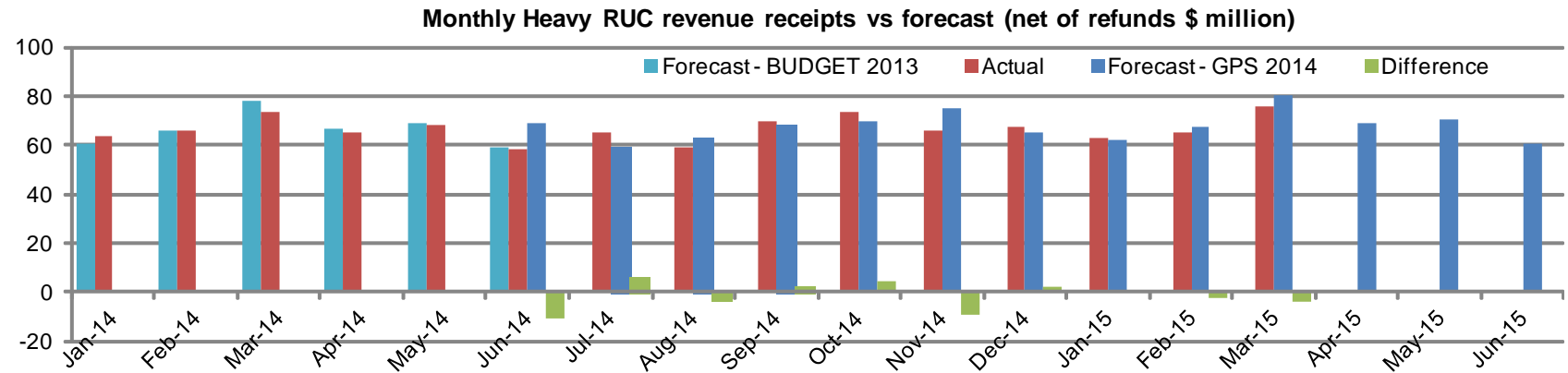


**Note about petrol excise duty revenue and travel demand:** Revenue receipts for petrol excise duty are based on wholesale supply (when petrol is refined at the Marsden point, and when refined petrol is imported) and are very volatile depending on the timing of shipments. This volatility can even affect 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 \$800m p.a. – 26% of total NLTF revenue)

## Heavy RUC is starting to track down

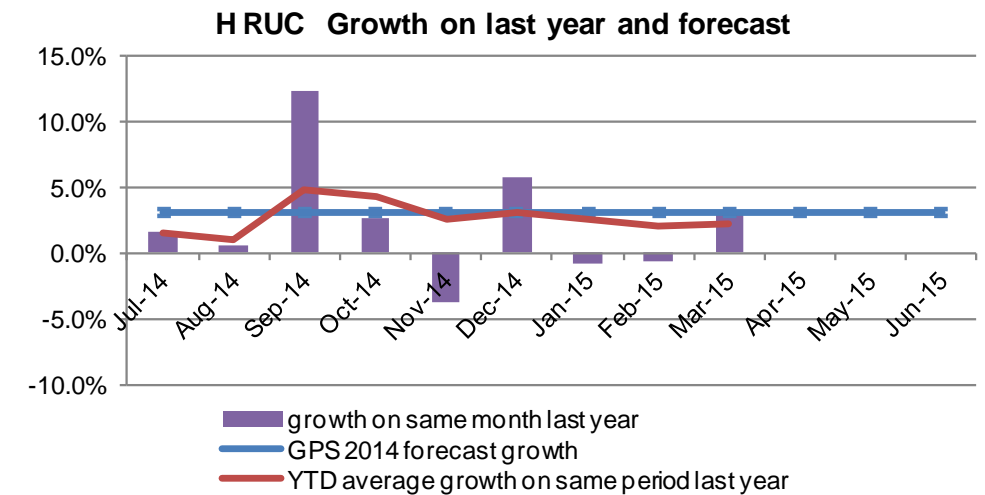
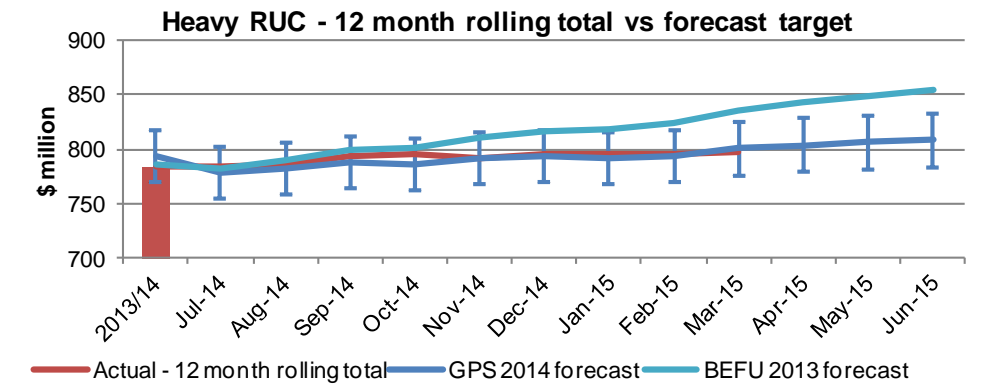
- Revenue is tracking close to forecast, down by \$3.2 million (-0.5 %) for the year to date.
- This is a result of a slight dip in actual revenue compared to forecast for the second and third quarters of the year, following on from an optimistic first quarter.
- Higher revenue levels may still be seen in the last quarter of this year, as the 3% increase in heavy RUC rates that took effect on 1 July 2014 start to flow in once pre-purchased RUC runs out and purchases of RUC are made before the next increase in RUC rates takes effect from 1 July 2015.



| \$ million             | Actual | 63 | 66 | 74 | 65 | 68 | 59     | 65    | 59    | 70   | 74   | 66     | 68   | 63   | 65    | 76    | -  | -  | -   | YTD   |
|------------------------|--------|----|----|----|----|----|--------|-------|-------|------|------|--------|------|------|-------|-------|----|----|-----|-------|
| Forecast - GPS 2014    |        |    |    |    |    |    | 69     | 59    | 63    | 68   | 69   | 75     | 65   | 62   | 67    | 80    | 69 | 71 | 60  | 608   |
| Difference \$          |        |    |    |    |    |    | -10.6  | 6.1   | -3.5  | 2.1  | 4.2  | -8.9   | 2.2  | 0.9  | -2.2  | -4.0  |    |    |     | -3.2  |
| Difference %           |        |    |    |    |    |    | -15.3% | 10.3% | -5.6% | 3.1% | 6.1% | -11.9% | 3.3% | 1.4% | -3.3% | -5.1% |    |    |     | -0.5% |
| GPS 2014 Low           |        |    |    |    |    |    |        | 57    | 61    | 66   | 67   | 72     | 63   | 60   | 65    | 77    | 66 | 68 | 58  | 588   |
| GPS 2014 High          |        |    |    |    |    |    |        | 60    | 64    | 69   | 71   | 76     | 67   | 63   | 69    | 82    | 70 | 72 | 62  | 621   |
| Forecast - BUDGET 2013 | 60     | 66 | 78 | 67 | 69 | 59 | 62     | 66    | 72    | 73   | 79   | 69     | 66   | 71   | 85    | 73    | 75 | 64 | 643 |       |
| Forecast - OBU 2014    |        |    |    |    |    |    |        |       |       | 70   | 75   | 66     | 62   | 68   | 80    | 69    | 71 | 61 | 612 |       |

## Heavy RUC growth slightly lower than GPS forecast

- The GPS forecasts for 2014/15 were for modest Heavy RUC volume growth following strong growth the previous year (2.7%).
- GPS forecasts represent forecast growth of 3.1% on 2013/14 actuals:
  - 3.0% coming from Heavy RUC rate increase
  - 0.1% forecast growth in Heavy RUC kms purchased
- Year to date growth (2.7%) is slightly lower than the GPS 2014 forecast (3.1%).

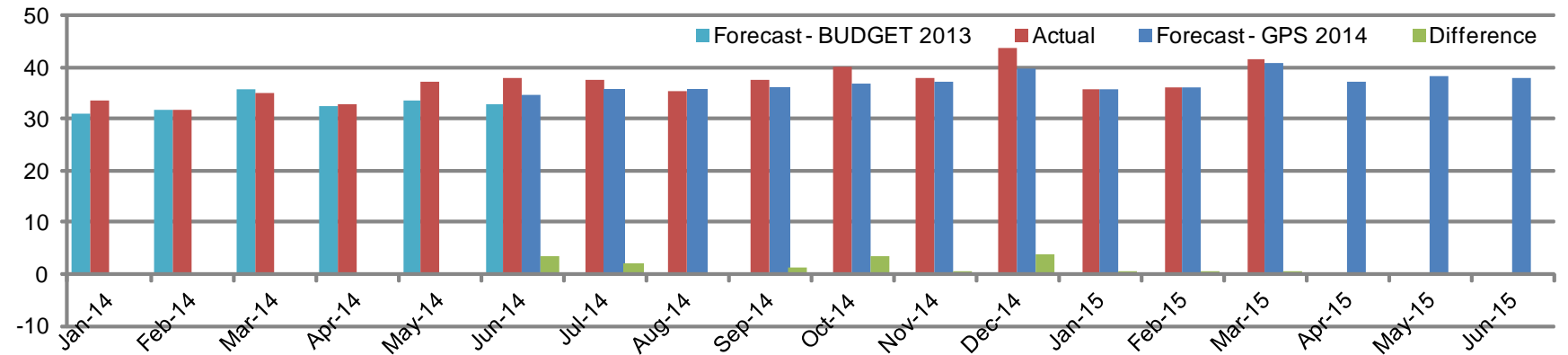


# Light RUC (around \$420m p.a. – 14% of total NLTF revenue)

## Easing off of Light RUC yet to be seen

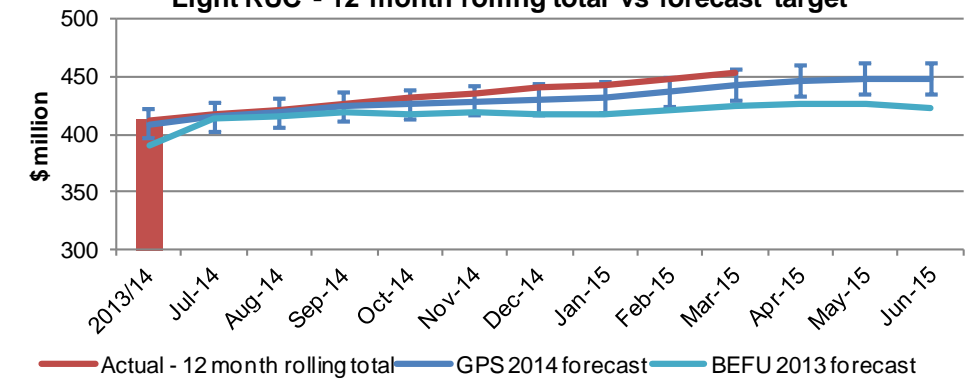
- Revenue is above forecast by \$11.3 million (3.4%) for the first three quarters of the year.
- The GPS forecasts for 2014/15 were for modest drop in Light RUC volume following very strong growth the previous year (8.1%), but light RUC remains strong so far.
- GPS forecasts represent forecast growth 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)



| \$ million                    | Actual | 33 | 32 | 35 | 33 | 37 | 38    | 38   | 35    | 38   | 40   | 38   | 44   | 36   | 36   | 41   | -  | -  | -  | YTD         |            |
|-------------------------------|--------|----|----|----|----|----|-------|------|-------|------|------|------|------|------|------|------|----|----|----|-------------|------------|
| <b>Forecast - GPS 2014</b>    |        |    |    |    |    |    | 34    | 36   | 36    | 36   | 37   | 37   | 40   | 36   | 36   | 41   | 37 | 38 | 38 | <b>334</b>  |            |
| Difference \$                 |        |    |    |    |    |    | 3.5   | 1.9  | -0.3  | 1.3  | 3.4  | 0.7  | 3.8  | 0.2  | 0.0  | 0.5  |    |    |    | <b>11.3</b> |            |
| Difference %                  |        |    |    |    |    |    | 10.0% | 5.2% | -0.9% | 3.6% | 9.2% | 1.8% | 9.4% | 0.5% | 0.1% | 1.1% |    |    |    | <b>3.4%</b> |            |
| <b>GPS 2014 Low</b>           |        |    |    |    |    |    |       |      | 35    | 35   | 35   | 36   | 36   | 39   | 35   | 35   | 40 | 36 | 37 | 37          | <b>324</b> |
| <b>GPS 2014 High</b>          |        |    |    |    |    |    |       |      | 37    | 37   | 37   | 38   | 38   | 41   | 37   | 37   | 42 | 38 | 39 | 39          | <b>344</b> |
| <b>Forecast - BUDGET 2013</b> |        | 31 | 32 | 36 | 33 | 33 | 33    | 34   | 34    | 34   | 35   | 35   | 38   | 34   | 34   | 39   | 35 | 36 | 36 | <b>316</b>  |            |
| <b>Forecast - OBU 2014</b>    |        |    |    |    |    |    |       |      |       |      | 36   | 37   | 40   | 35   | 36   | 41   | 37 | 38 | 38 | <b>332</b>  |            |

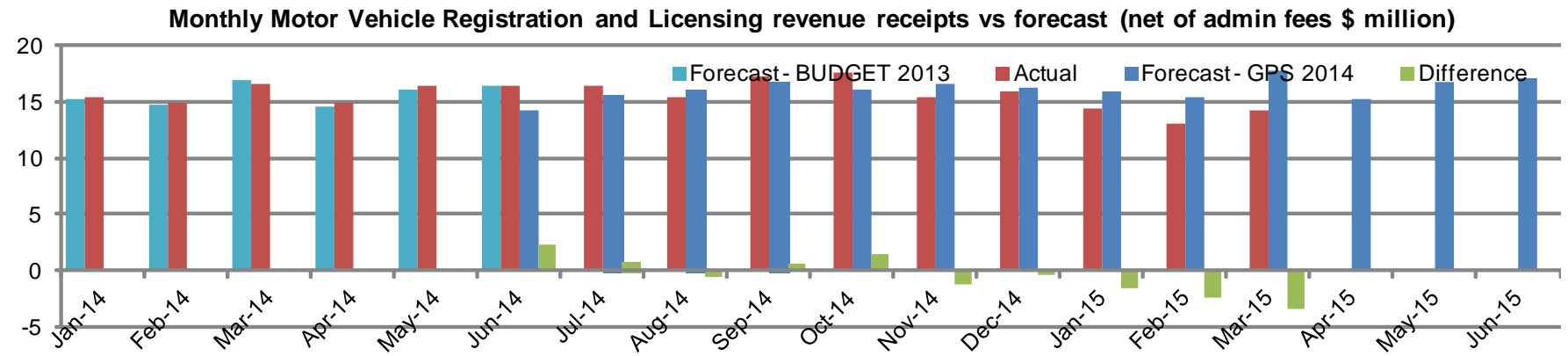
Light RUC - 12 month rolling total vs forecast target



# MVR (around \$190m p.a. – 5% of total NLTF revenue)

## MVR revenue remains tracking down as we approach the end of the year

- Revenue is tracking down versus forecast by \$6.8 million (-4.6 %) through the first three quarters of the year. This is likely to re-licensing being delayed until the reduced ACC levies take effect from 1 July 2015.
- 4.1% growth is forecast on 2013/14 actuals, with strong growth in the number of new registrations, and the re-licensing of a growing vehicle fleet.



| \$ million             | Actual | 15 | 15 | 17 | 15 | 16    | 16   | 15    | 17   | 18   | 15    | 16    | 14    | 13     | 14     | -  | -  | -  | YTD   |     |
|------------------------|--------|----|----|----|----|-------|------|-------|------|------|-------|-------|-------|--------|--------|----|----|----|-------|-----|
| Forecast - GPS 2014    |        |    |    |    |    | 14    | 16   | 16    | 17   | 16   | 17    | 16    | 16    | 15     | 18     | 15 | 17 | 17 | 146   |     |
| Difference \$          |        |    |    |    |    | 2.2   | 0.7  | -0.6  | 0.6  | 1.5  | -1.3  | -0.4  | -1.5  | -2.3   | -3.4   |    |    |    | -6.8  |     |
| Difference %           |        |    |    |    |    | 15.6% | 4.8% | -3.8% | 3.4% | 9.4% | -7.8% | -2.5% | -9.4% | -15.1% | -19.5% |    |    |    | -4.6% |     |
| Forecast - BUDGET 2013 |        | 15 | 15 | 17 | 15 | 16    | 16   | 15    | 16   | 17   | 16    | 16    | 16    | 15     | 18     | 15 | 17 | 17 | 145   |     |
| Forecast - OBU 2014    |        |    |    |    |    |       |      |       |      |      | 16    | 16    | 16    | 16     | 15     | 17 | 15 | 16 | 17    | 144 |

