

## Revenue Monitoring Snapshot – as at 30 September 2015



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

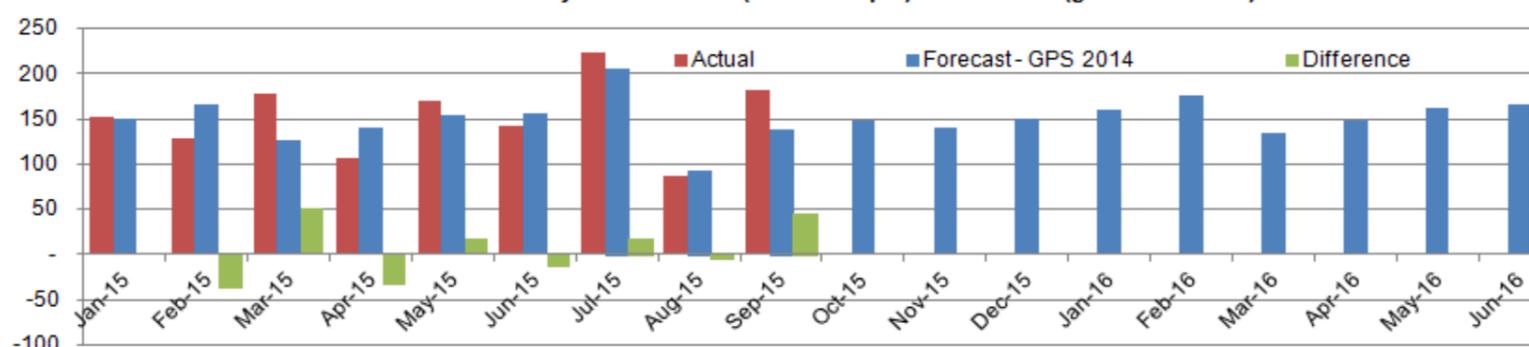
**Disclaimer:** This paper is presented not as policy, but with a view to inform and stimulate wider debate.

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

## Petrol excise revenue shows some growth

- Actual revenue in the first quarter of the year has tracked above the revenue predicted in the GPS 2014 forecast (up by \$57 million, or 13.2%). 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.

Monthly PED revenue (cash receipts) vs forecast (gross \$ million)

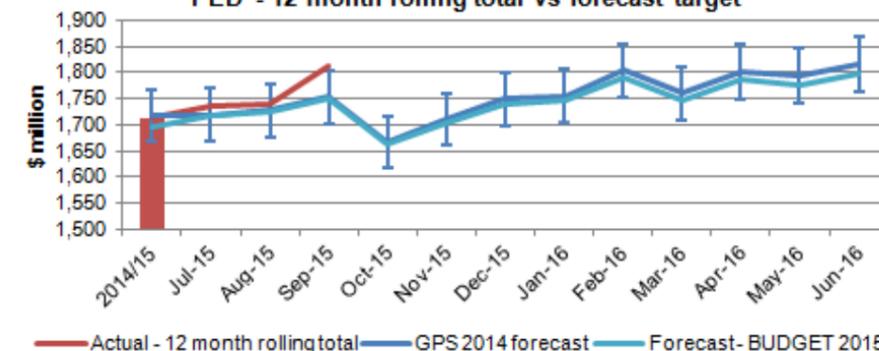


	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	YTD
<b>\$ million Actual</b>	153	128	178	106	170	143	223	86	183	-	-	-	-	-	-	-	-	-	492
<b>Forecast - GPS 2014</b>	150	167	127	140	153	157	205	93	137	148	139	150	159	176	134	148	162	166	435
<b>Difference \$</b>	2.2	-38.3	50.8	-33.7	17.1	-14.3	18.4	-6.2	45.4										57.5
<b>Difference %</b>	1.4%	-23.0%	40.0%	-24.1%	11.2%	-9.1%	9.0%	-6.7%	33.0%										13.2%
<b>GPS 2014 Low</b>	146	162	123	136	149	153	199	90	134	144	135	146	155	171	131	144	157	161	423
<b>GPS 2014 High</b>	155	171	131	144	158	162	211	95	141	152	143	154	164	181	138	152	167	171	447
<b>Forecast - BUDGET 2013</b>	149	165	125	138	151	155	204	92	137	147	139	149	158	175	134	147	161	165	433
<b>Forecast - OBU 2014</b>	150	167	127	140	153	157	205	92	137	148	139	150	159	176	134	148	162	166	434
<b>Forecast - BUDGET 2015</b>							203	92	136	146	138	148	157	174	133	147	160	164	430

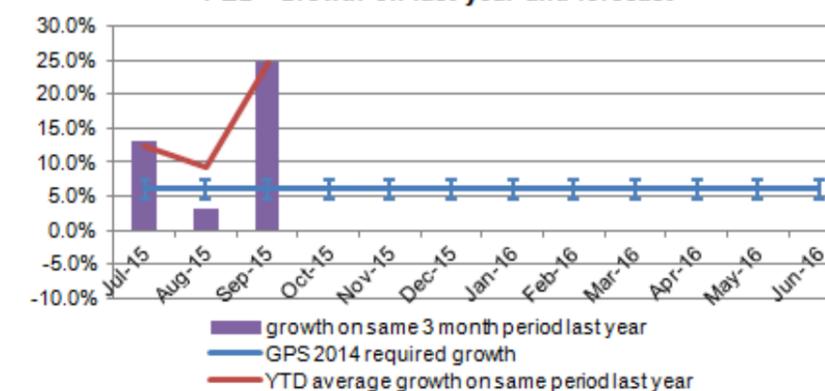
## Forecast growth for the year

- 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.
- Year to date growth on the same period as last year is higher due to the large shipment received in September 2015.

PED - 12 month rolling total vs forecast target



PED Growth on last year and forecast

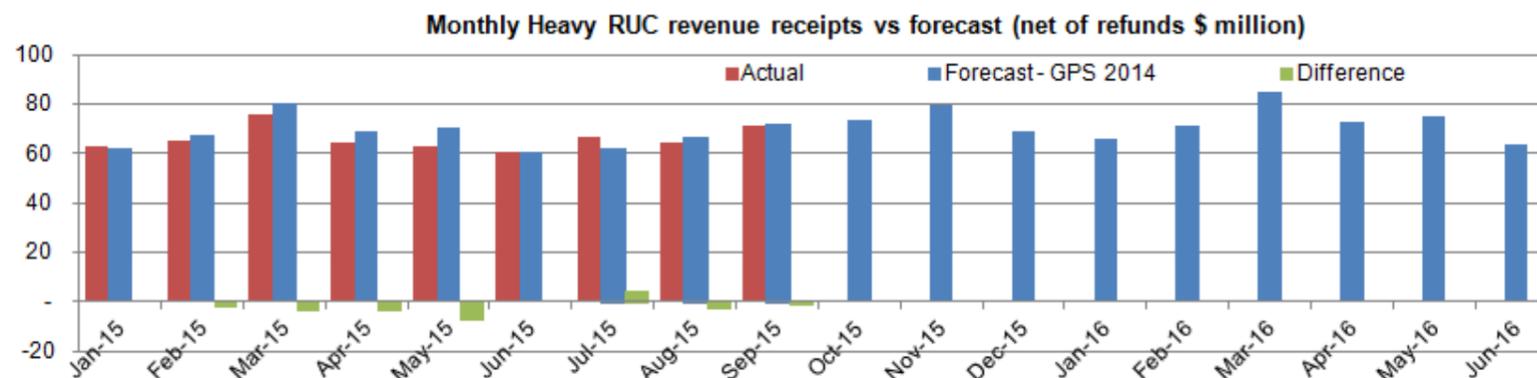


**Note about petrol excise duty revenue and travel demand:** Revenue receipts for petrol excise duty are based on wholesale supply (when petrol is refined at the Marsden point, and when refined petrol is imported) and are very volatile depending on the timing of shipments. This volatility can even affect 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

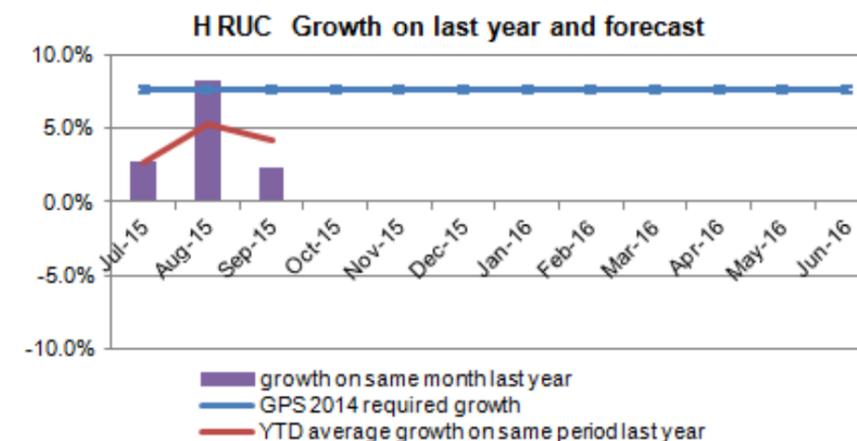
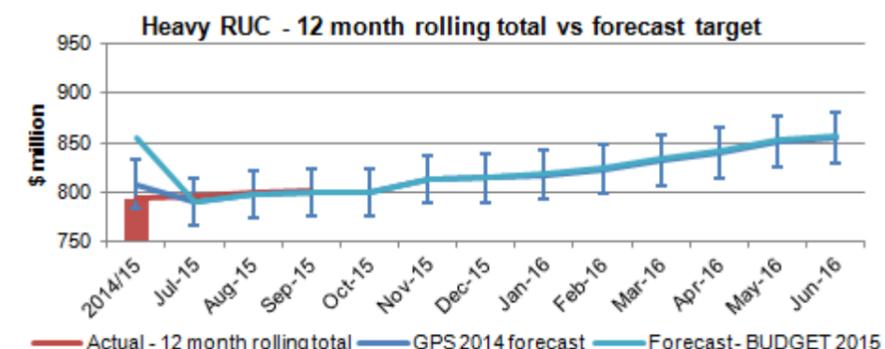
- Actual revenue is tracking close to forecast for 2014/15, up by \$2 million (1 %) for the year to date.
- This is pleasing considering Heavy RUC revenue growth was 1.3% under forecast for 2014/15 - due to a drop in revenue at the end of the financial year.
- Higher revenue levels may still be seen 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..



	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
<b>\$ million Actual</b>	63	65	76	65	63	61	67	64	71	-	-	-	-	-	-	-	-	-	202
<b>Forecast - GPS 2014</b>	62	67	80	69	71	60	62	66	72	73	79	69	66	71	85	73	75	64	200
<b>Difference \$</b>	0.9	-2.2	-4.0	-4.1	-7.5	0.3	4.4	-2.2	-0.2										2.0
<b>Difference %</b>	1.4%	-3.3%	-5.1%	-6.0%	-10.6%	0.4%	7.1%	-3.4%	-0.3%										1.0%
<b>GPS 2014 Low</b>	60	65	77	66	68	58	60	64	69	71	77	67	63	69	82	70	72	62	193
<b>GPS 2014 High</b>	63	69	82	70	72	62	63	68	73	75	81	71	67	73	86	74	76	65	204
<b>Forecast - BUDGET 2013</b>	66	71	85	73	75	64	67	71	77	79	85	74	71	77	91	78	80	69	215
<b>Forecast - OBU 2014</b>	62	68	80	69	71	61	62	66	71	73	79	69	65	71	84	72	74	63	199
<b>Forecast - BUDGET 2015</b>							62	66	72	74	79	69	66	72	85	73	75	64	201

## 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 quarter of 2015/16, suggests revenue growth closer to 4%.
- The year to date growth is 4.3%.

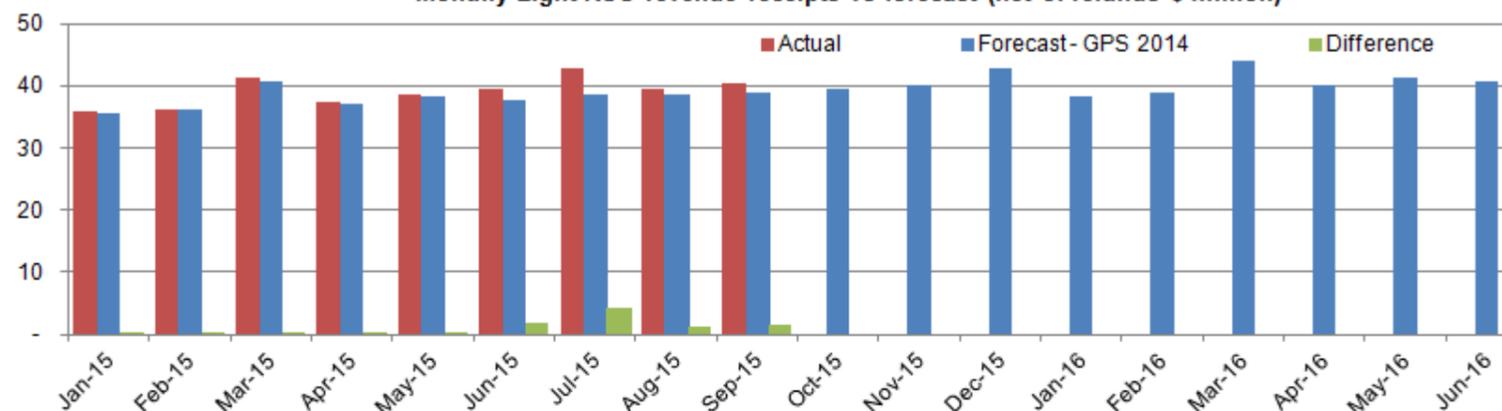


# Light RUC (around \$490m p.a. – 14.5% of total NLTF revenue)

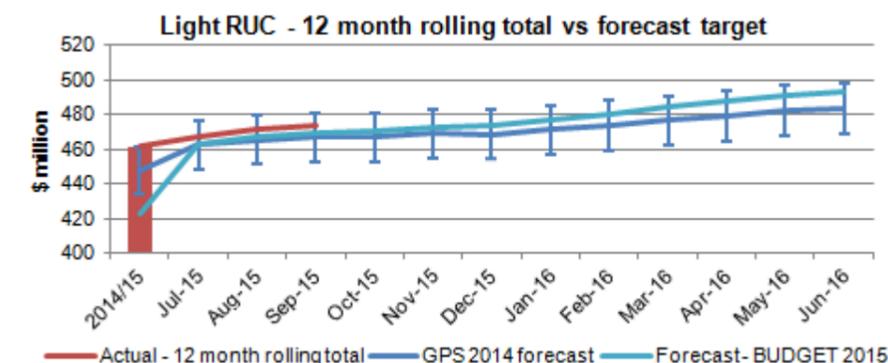
## Light RUC continues to track above forecast

- Revenue is above forecast by \$7 million (6%) for the first quarter 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.

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



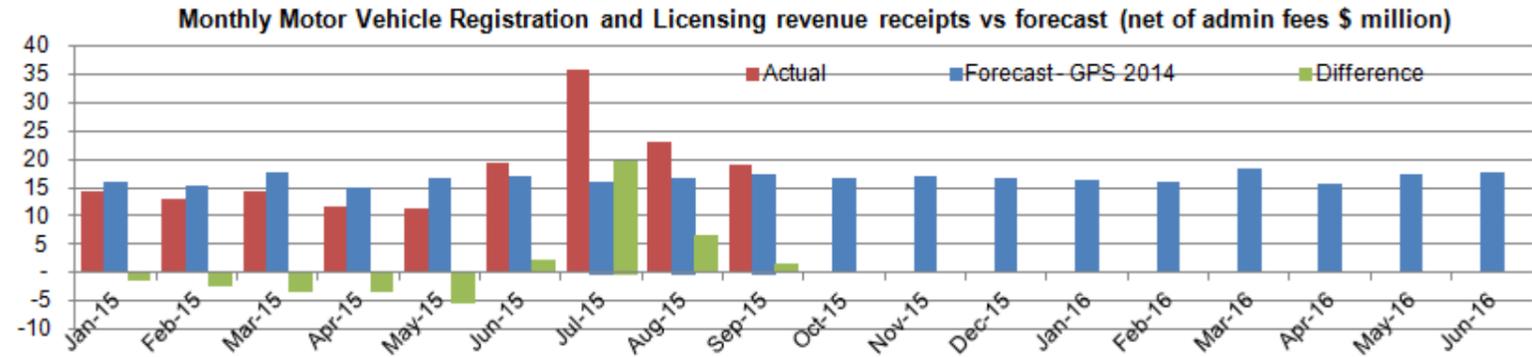
	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	YTD
<i>\$ million</i> Actual	36	36	41	38	39	40	43	40	41	-	-	-	-	-	-	-	-	-	123
Forecast - GPS 2014	36	36	41	37	38	38	39	39	39	40	40	43	39	39	44	40	41	41	116
Difference \$	0.2	0.0	0.5	0.3	0.3	1.8	4.4	1.1	1.5										6.9
Difference %	0.5%	0.1%	1.1%	0.9%	0.7%	4.8%	11.3%	2.8%	3.8%										6.0%
GPS 2014 Low	35	35	40	36	37	37	37	37	38	38	39	42	37	38	43	39	40	40	113
GPS 2014 High	37	37	42	38	39	39	40	40	40	41	42	44	40	40	46	41	43	42	120
Forecast - BUDGET 2013	34	34	39	35	36	36	36	36	37	37	38	41	36	37	42	38	39	38	110
Forecast - OBU 2014	38	39	44	40	41	41	38	38	39	39	40	43	38	39	44	40	41	41	116
Forecast - BUDGET 2015							39	39	40	40	41	44	39	40	45	41	42	42	119



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

## MVR Revenue rebounds in Q1 due to ACC changes

- Actual revenue is well above the GPS 2014 forecast by \$28 million (56%).
- 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.



	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	14	13	14	12	11	19	36	23	19	-	-	-	-	-	-	-	-	-	78
Forecast - GPS 2014	16	15	18	15	17	17	16	17	17	17	17	17	16	16	18	16	17	18	50
Difference \$	-1.5	-2.3	-3.4	-3.6	-5.5	2.2	19.8	6.5	1.7										28.0
Difference %	-9.4%	-15.1%	-19.5%	-23.9%	-32.7%	12.8%	123.0%	39.1%	10.0%										56.1%
Forecast - BUDGET 2013	16	15	18	15	17	17	16	16	17	16	17	17	16	16	18	15	17	17	49
Forecast - OBU 2014	16	15	17	15	16	17	15	16	17	16	16	16	16	15	17	15	17	17	48
Forecast - BUDGET 2015							15	16	17	16	16	16	16	15	17	15	17	17	48

