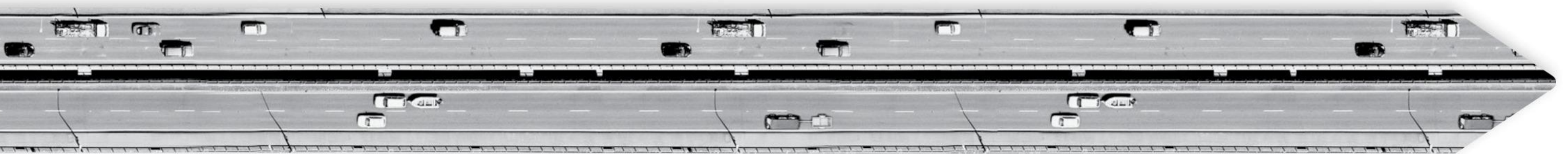


Revenue Monitoring Snapshot – as at 30 September 2014



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

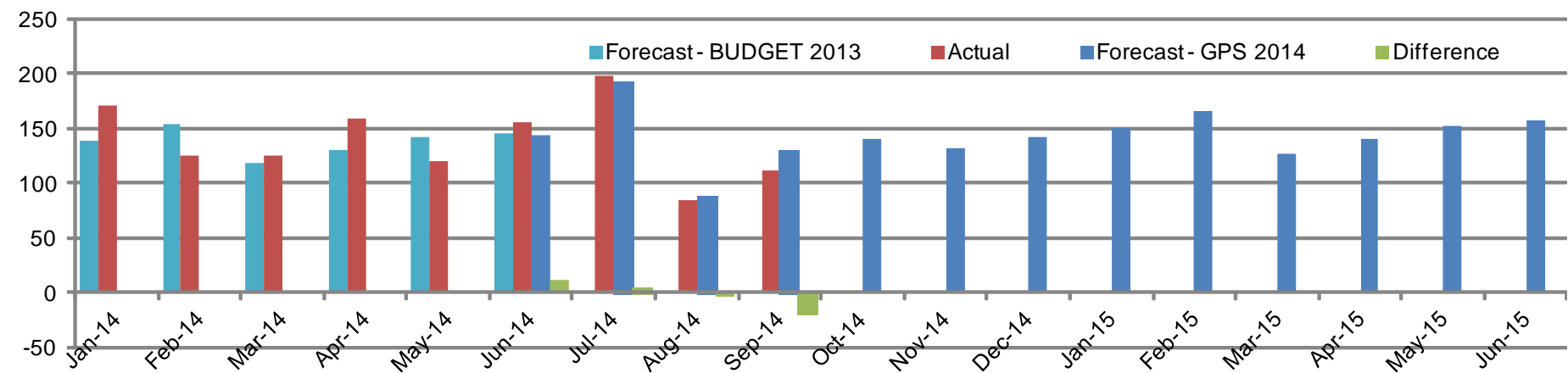
Petrol excise duty (around \$1,600m p.a. – 55 % of total NLTF revenue)

Revenue is in line with GPS forecasts (agreed in June 2014)

- Although revenue to 30 September 2014 is slightly behind forecasts (lower by \$17 million, or 4.1%).

This is largely a result of low September imports which are expected to return in October.)

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

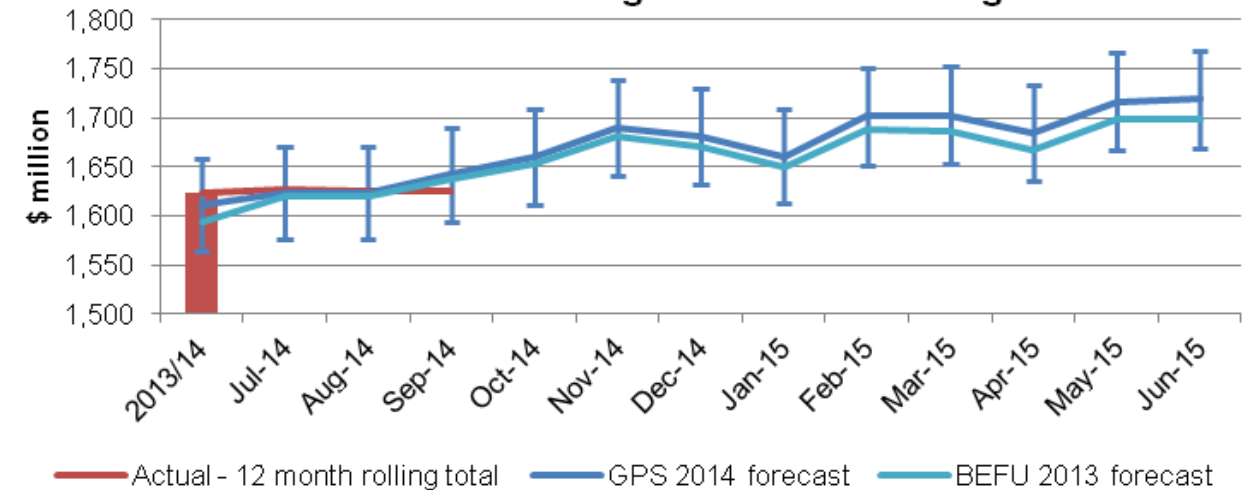


\$ million	Actual	171	126	126	159	120	155	199	85	111	-	-	-	-	-	-	-	-	-	YTD
Forecast - GPS 2014							144	194	88	130	140	132	142	150	167	127	140	153	157	411
Difference \$							10.8	4.8	-3.0	-18.6										-16.8
Difference %							7.5%	2.5%	-3.4%	-14.3%										-4.1%
GPS 2014 Low								188	85	126	136	128	138	146	162	123	136	149	153	400
GPS 2014 High								199	90	134	144	136	146	155	171	131	144	158	162	423
Forecast - BUDGET 2013		139	154	118	130	142	146	191	87	128	138	130	140	149	165	125	138	151	155	406

Forecast growth for the year

- The GPS forecasts for 2014/15 were for PED revenue growth of 6.6%, made up of:
 - 5.6% increase in PED rates (the 3 cents per litre increase on 1 July 2014)
 - 1.0% increase in petrol volumes.
- However, given the stronger than expected final outturn for 2013/14 (\$10 million, or 0.7% higher than expected) some of this growth has already come through.
- The result is the GPS forecasts represent forecast growth of 5.9% on 2013/14 actuals:
 - 5.6% coming from PED rate increase
 - 0.3% forecast growth in petrol volumes

PED - 12 month rolling total vs forecast target

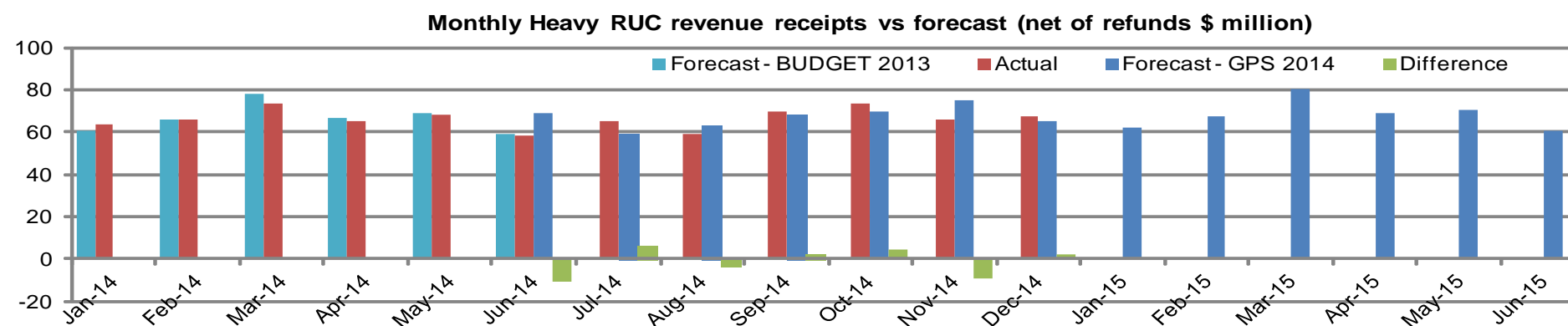


Note about petrol excise duty revenue and travel demand: Revenue receipts for petrol excise duty are based on wholesale supply (when petrol is refined at the Marsden point, and when refined petrol is imported) and are very volatile depending on the timing of shipments. This volatility can even affect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

So far so good for Heavy RUC

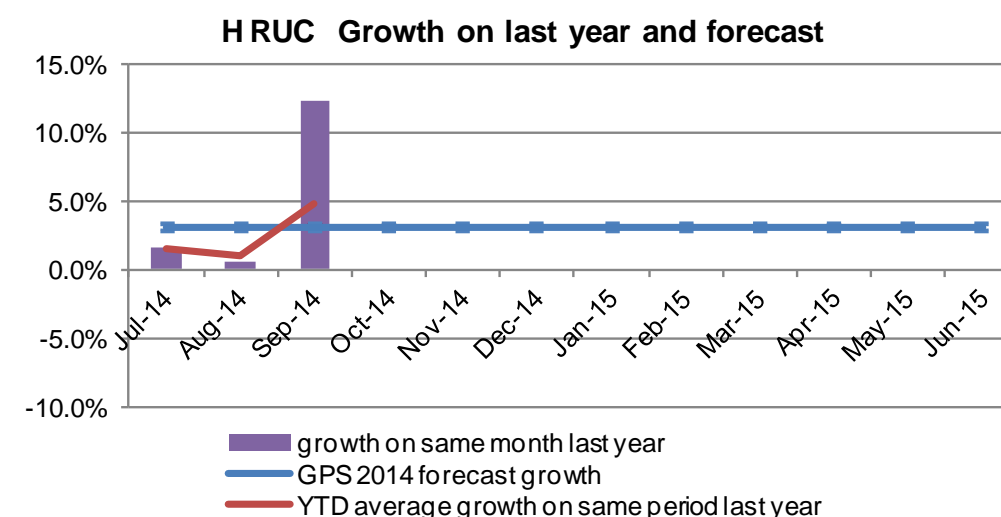
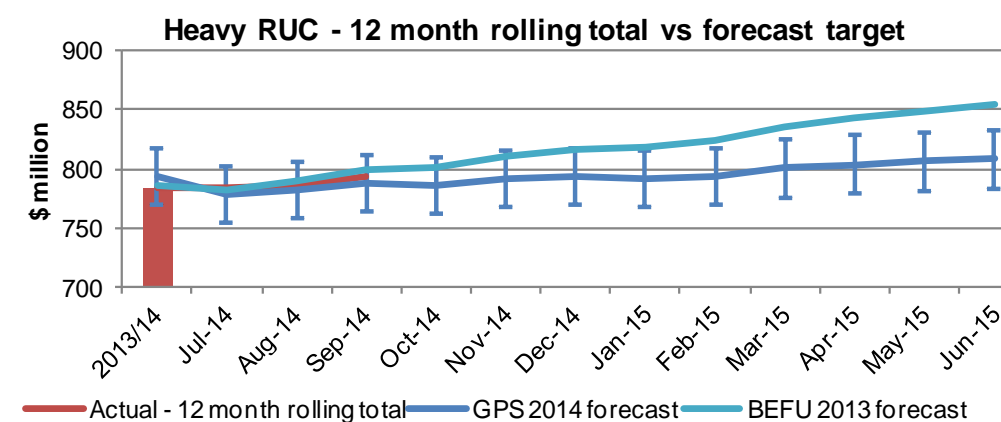
- Revenue is tracking above forecast by \$4.7 million (2.5 %) for the first quarter of the year.
- This seems consistent with heavy vehicle State highway traffic counts, which for September, were up 3.8 % compared to the same month last year.
- Higher revenue levels may still be seen in the coming months, 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.
- This follows on from a drop in revenue at the end of the last financial year



\$ million	Actual	63	66	74	65	68	59	65	59	70	74	66	68	-	-	-	-	-	-	YTD
Forecast - GPS 2014							69	59	63	68	69	75	65	62	67	80	69	71	60	401
Difference \$							-10.6	6.1	-3.5	2.1	4.2	-8.9	2.2							399
Difference %							-15.3%	10.3%	-5.6%	3.1%	6.1%	-11.9%	3.3%							2.2
GPS 2014 Low								57	61	66	67	72	63	60	65	77	66	68	58	385
GPS 2014 High								60	64	69	71	76	67	63	69	82	70	72	62	407
Forecast - BUDGET 2013		60	66	78	67	69	59	62	66	72	73	79	69	66	71	85	73	75	64	422
Forecast - OBU 2014											70	75	66	62	68	80	69	71	61	401

Heavy RUC growth consistent with GPS forecast

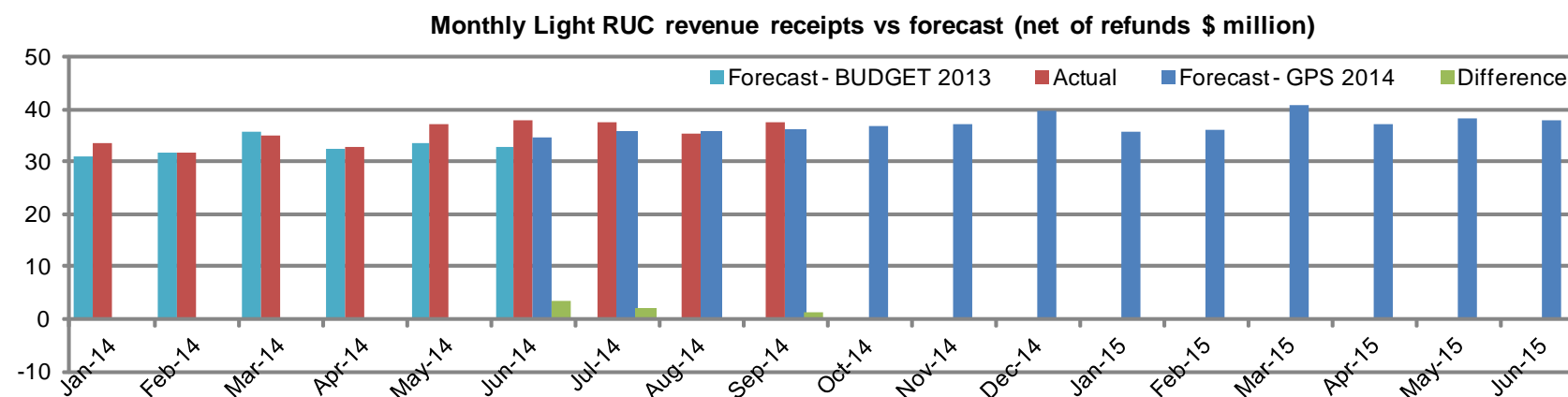
- The GPS forecasts for 2014/15 were for modest Heavy RUC volume growth following strong growth the previous year (2.7%).
- GPS forecasts represent forecast growth of 3.1% on 2013/14 actuals:
 - 3.0% coming from Heavy RUC rate increase
 - 0.1% forecast growth in Heavy RUC kms purchased
- Year to date growth (4.9%) is consistent with forecasts (3.1%).
- The more positive year-to-date result is largely a result of strong growth in September against weak September revenues last year (12.3% growth on same month last year).



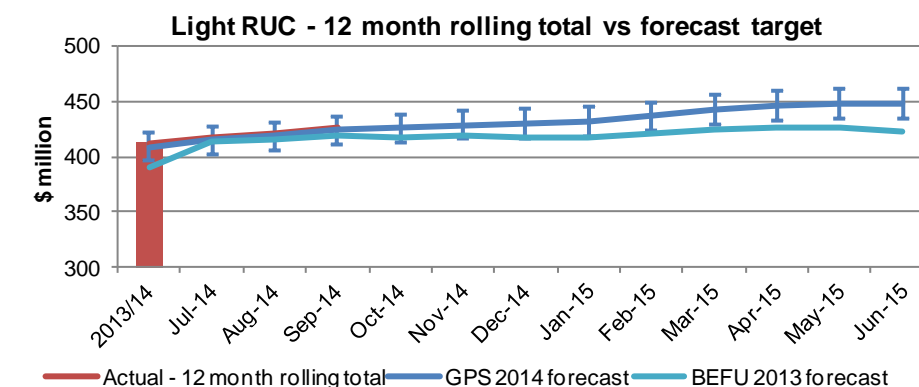
Light RUC (around \$420m p.a. – 14% of total NLTF revenue)

Light RUC tracking to forecast

- Revenue is slightly above forecast by \$2.8 million (2.6%) for the first quarter 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 volumes remaining significantly above 2012/13 levels
- 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.



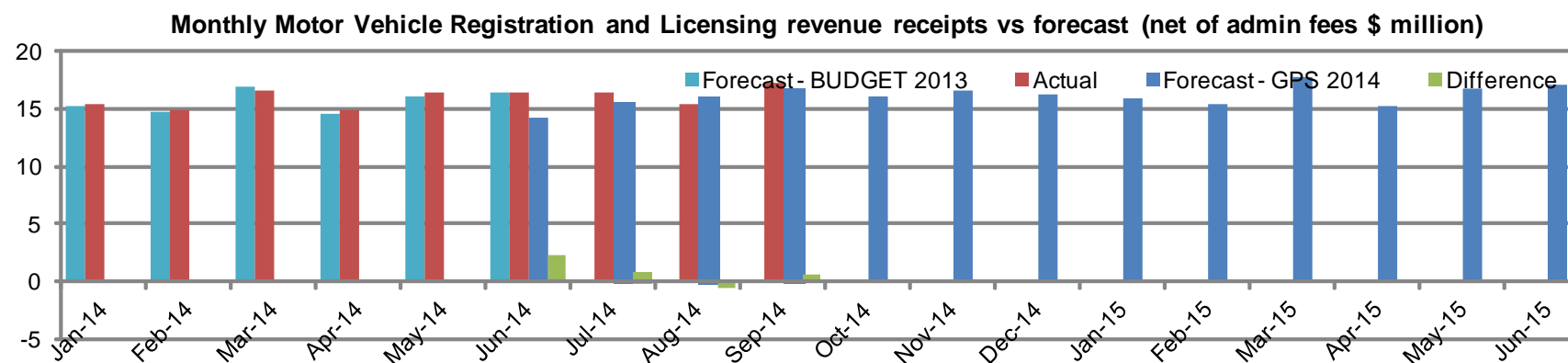
\$ million	Actual	33	32	35	33	37	38	38	35	38	-	-	-	-	-	-	-	-	-	YTD
Forecast - GPS 2014							34	36	36	36	37	37	40	36	36	41	37	38	38	108
Difference \$							3.5	1.9	-0.3	1.3										2.8
Difference %							10.0%	5.2%	-0.9%	3.6%										2.6%
GPS 2014 Low								35	35	35	36	36	39	35	35	40	36	37	37	105
GPS 2014 High								37	37	37	38	38	41	37	37	42	38	39	39	111
Forecast - BUDGET 2013		31	32	36	33	33	33	34	34	34	35	35	38	34	34	39	35	36	36	102



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

MVR revenue within \$1 million of forecast for the year to date

- Revenue is tracking according to forecast up by \$0.7 million (1.4%) for the first quarter of the year.
- 4.1% growth is forecasts 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	16	15	17	0	0	0	0	0	0	0	0	0	YTD
Forecast - GPS 2014						14	16	16	17	16	17	16	17	16	16	15	18	15	17	48
Difference \$						2.2	0.7	-0.6	0.6											0.7
Difference %						15.6%	4.8%	-3.8%	3.4%											1.4%
Forecast - BUDGET 2013		15	15	17	15	16	16	15	16	17	16	16	16	16	16	15	18	15	17	48

