

Revenue Monitoring Snapshot – as at 30 December 2017

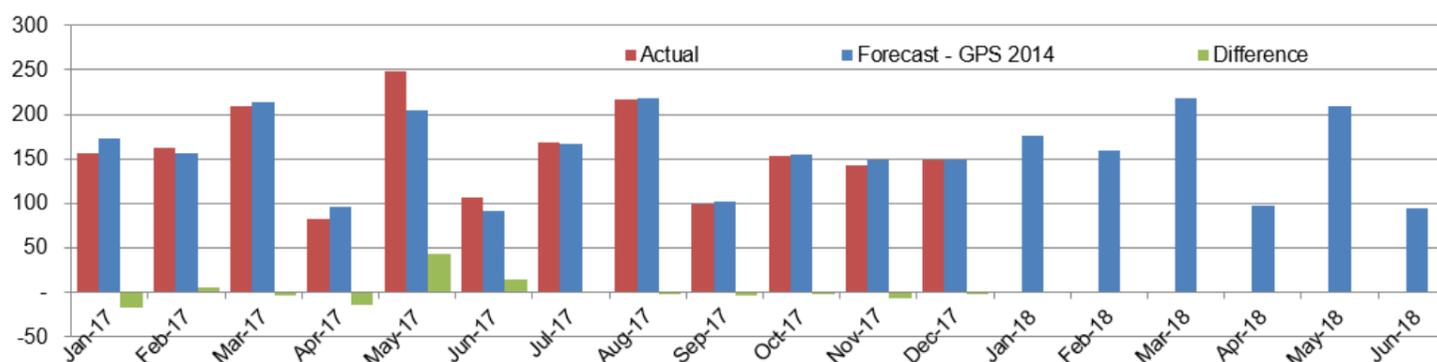
Revenue monitoring snapshots are prepared by the Ministry of Transport each quarter. The snapshots report actual revenue received by the National Land Transport Fund for the financial year to date. Actual revenue is broken down by revenue stream: petrol excise duty, light road user charges, heavy road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

Actual revenue for each revenue stream is compared to the GPS 2014 forecast. The GPS 2014 forecast was used to set the activity class funding ranges for the Government Policy Statement on land transport 2015. We compare actual revenue to the GPS 2014 forecast because this has implications for National Land Transport Fund expenditure, which is budgeted based on the GPS 2014 forecast.

Petrol Excise Duty (PED)

PED revenue is around \$1.94 million each year. This is approximately 54% of total National Land Transport Fund revenue.

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

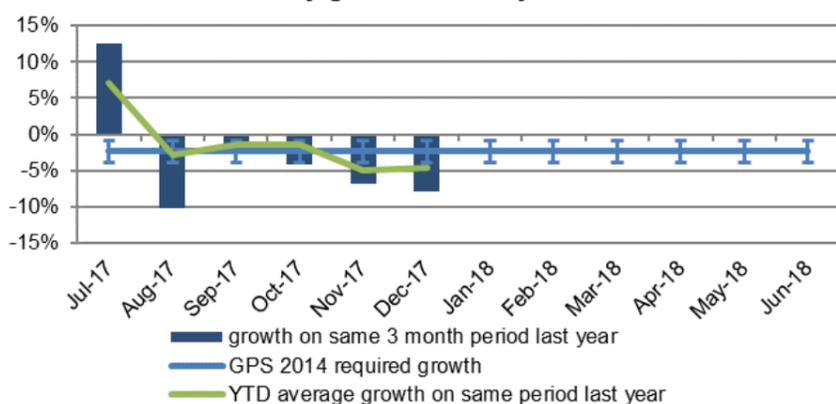


	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	YTD
\$ million Actual	156	162	210	83	248	106	168	217	99	153	142	148	-	-	-	-	-	-	928
Forecast - GPS 2014	173	156	214	96	205	92	167	218	103	154	148	149	176	159	218	98	209	94	939
Difference \$	-16.9	6.0	-4.1	-13.6	42.6	14.0	0.6	-0.6	-3.3	-0.9	-6.0	-0.1							-10.3
Difference %	-9.8%	3.8%	-1.9%	-14.1%	20.8%	15.3%	0.4%	-0.3%	-3.2%	-0.6%	-4.0%	-0.1%							-1.1%
GPS 2014 Low	168	152	208	94	199	90	163	212	100	150	144	144	171	155	212	95	203	91	913
GPS 2014 High	178	161	220	99	211	95	172	224	105	159	153	153	181	164	224	101	215	97	966
Forecast - BUDGET 2015	171	155	212	95	203	91	167	217	102	154	148	148	175	159	217	98	208	93	935
Forecast - BUDGET 2016	172	156	213	96	204	92	164	213	100	151	145	146	172	156	214	96	205	92	920
Forecast - BUDGET 2017	177	160	219	99	210	94	170	221	104	157	151	151	179	162	221	100	212	95	953

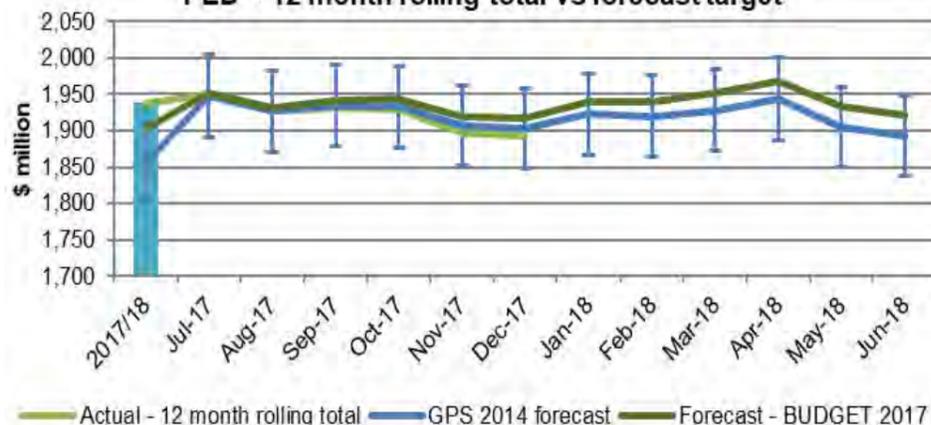
Petrol excise revenue is tracking below GPS 2014 forecast

- Actual revenue in the first two quarters of the year has tracked below the revenue predicted in the GPS 2014 forecast (down by \$10.3 million or 1.1%).
- However, general economic conditions suggest that revenue will again be stronger than predicted in the GPS 2014 forecast for the 2017/18 financial year.

Petrol Excise Duty growth on last year and forecast



PED - 12 month rolling total vs forecast target



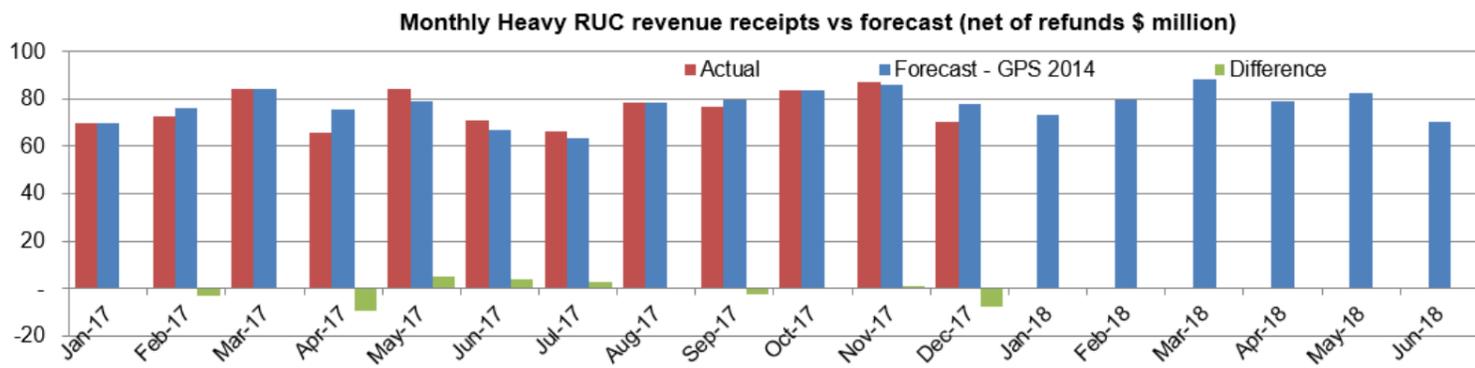
Forecast growth for the year

- The GPS 2014 forecast predicts growth for 2017/18 of -2.3% on 2016/17 actuals as shown in the graph to the left above.
 - This is due to 2016/17 actuals being \$80.5 million above forecast (4.3%).
 - Due to the high growth in PED last year, the GPS 2014 forecast for PED revenue for 2017/18 is lower than the actual revenue for 2016/17.
 - The Ministry is predicting that another year of solid growth will occur driven by population growth and positive economic conditions.

Note about petrol excise duty revenue and travel demand: Revenue receipts for PED 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 Road User Charges (RUC)

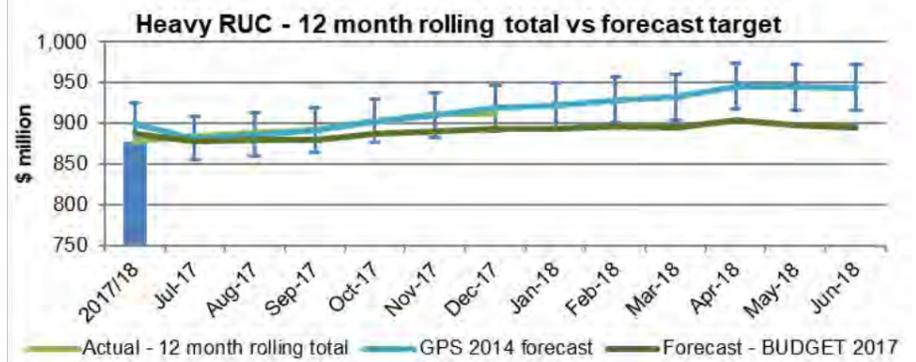
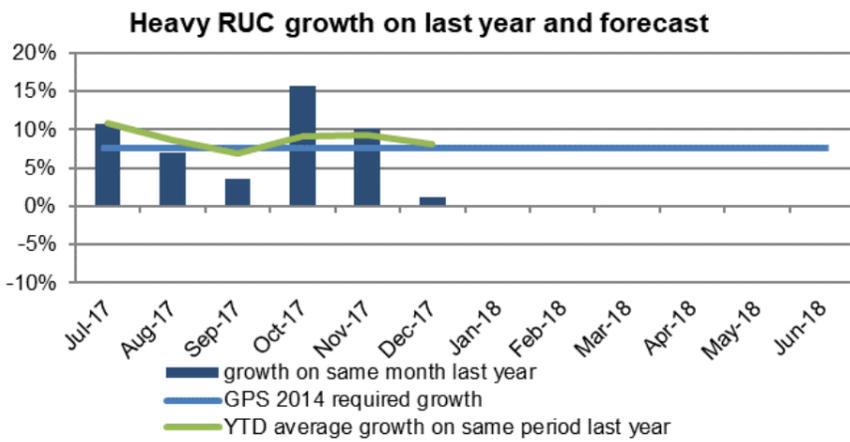
Heavy RUC revenue is around \$880 million each year. This is approximately 24.5% of total National Land Transport Fund revenue.



	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
\$ million Actual	70	73	84	66	84	71	66	79	77	84	87	71	-	-	-	-	-	-	464
Forecast - GPS 2014	70	76	84	75	79	67	64	79	80	84	86	78	73	80	88	79	83	70	470
Difference \$	0.2	-3.1	0.3	-9.4	5.3	3.8	2.6	0.0	-2.7	0.1	0.9	-7.5							-6.6
Difference %	0.3%	-4.0%	0.4%	-12.4%	6.7%	5.7%	4.1%	0.0%	-3.4%	0.1%	1.0%	-9.6%							-1.4%
GPS 2014 Low	67	73	81	73	76	65	62	76	77	81	83	75	71	77	85	76	80	68	454
GPS 2014 High	71	78	86	77	80	68	65	81	82	86	88	80	75	82	90	81	85	72	482
Forecast - BUDGET 2015	70	76	84	76	79	67	64	79	80	84	86	78	73	80	88	79	83	70	472
Forecast - BUDGET 2016	67	73	81	73	76	65	61	75	76	80	82	74	70	76	84	75	79	67	448
Forecast - BUDGET 2017	69	75	83	74	78	66	60	75	76	80	82	74	69	76	84	75	78	67	446

Heavy RUC revenue is tracking to forecast

- Actual revenue is tracking slightly below GPS 2014 forecast for the first two quarters of 2017/18 (down by \$6.6 million or 1.4%).



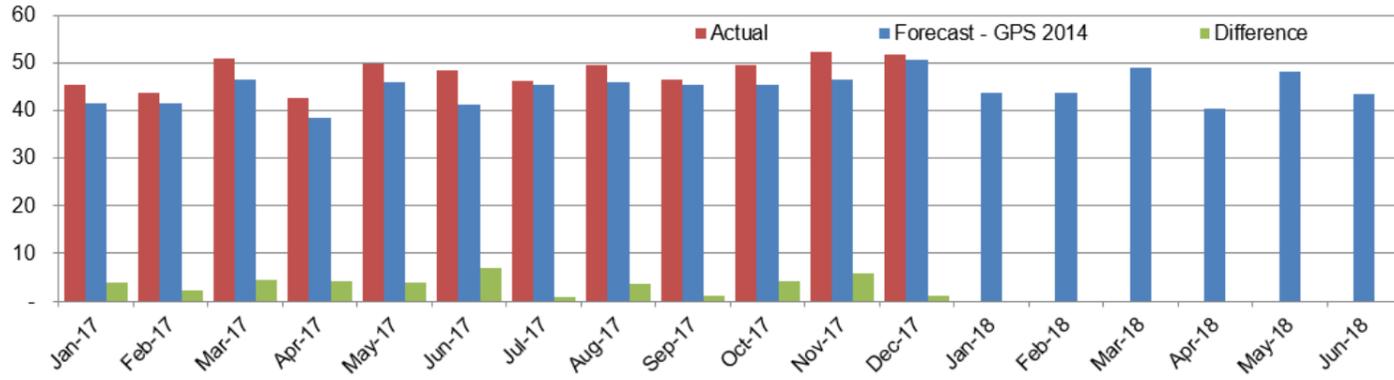
Forecast growth for the year

- The GPS 2014 forecast for Heavy RUC in 2017/18 is 7.6% higher than 2016/17 actuals. With no increase in Heavy RUC rates in 2017/18, growth will need to come from volume growth (Heavy RUC kilometres purchased).
- Sluggish growth in 2016/17, and a slight decrease in the first two quarters of 2017/18, suggest revenue growth closer to 2.0% to 3.0% on 2016/17 actuals.

Light Road User Charges (RUC)

Light RUC revenue is around \$560 million each year. This is approximately 15.5% of total National Land Transport Fund revenue.

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

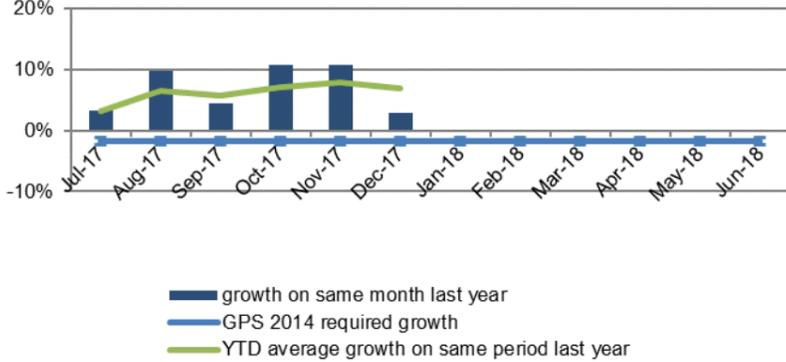


	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	YTD
\$ million Actual	45	44	51	42	50	48	46	49	47	49	52	52	-	-	-	-	-	-	296
Forecast - GPS 2014	41	41	46	38	46	41	45	46	45	45	47	51	44	44	49	40	48	43	279
Difference \$	3.9	2.3	4.5	4.1	3.8	7.0	0.8	4	1	4	6	1							16.5
Difference %	9.5%	5.4%	9.7%	10.6%	8.4%	17.0%	1.8%	0	0	0	0	0							5.9%
GPS 2014 Low	40	40	45	37	45	40	44	45	44	44	45	49	42	42	47	39	47	42	271
GPS 2014 High	43	43	48	40	47	42	47	47	47	47	48	52	45	45	50	42	50	45	288
Forecast - BUDGET 2015	40	40	45	37	45	40	45	45	45	45	46	50	43	43	48	40	48	43	276
Forecast - BUDGET 2016	40	40	45	37	44	40	44	45	44	44	45	49	42	42	47	39	47	42	272
Forecast - BUDGET 2017	44	44	50	41	49	44	46	46	46	46	47	51	44	44	49	41	49	44	283

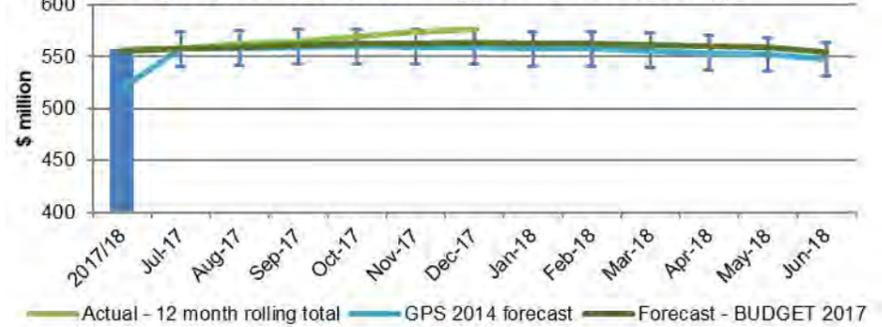
Light RUC revenue continues to track above forecast

- Revenue is above the GPS 2014 forecast by \$16.5 million (5.9%) for the first quarter of the year. This follows on from strong revenue growth (7.1%) in 2016/17, and the expectation is for revenue to continue to grow.

Light RUC growth on last year and forecast



Light RUC - 12 month rolling total vs forecast target

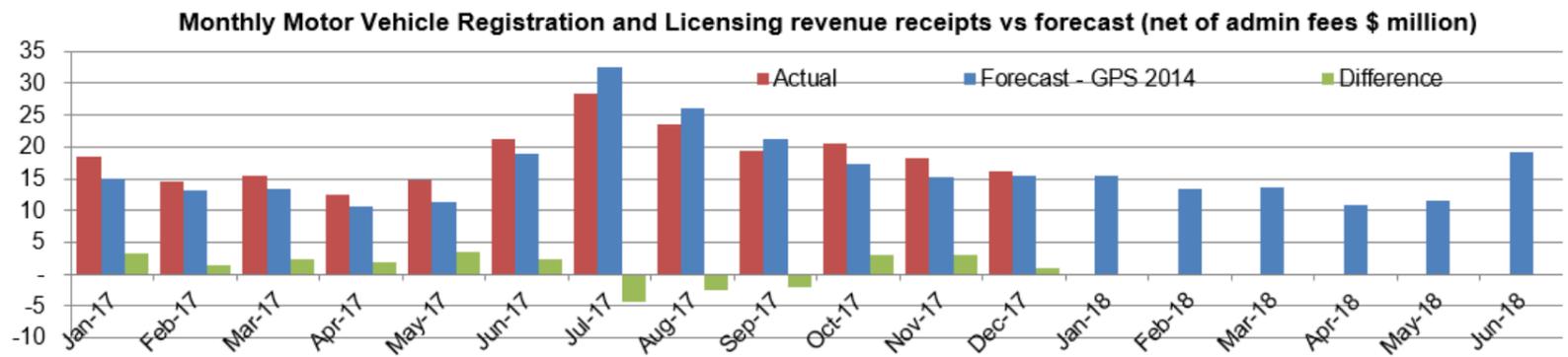


Forecast growth for the year

- The GPS 2014 forecast for 2017/18 is 1.7% lower than 2016/17 actuals. Due to the high growth last year there would have to be a decrease in the amount of revenue received this year to meet the GPS 2014 forecast light RUC revenue for 2017/18.
- The Ministry is predicting revenue growth in the 4.0% to 5.0% range on the 2016/17 actual light RUC revenue.

Motor Vehicle Registrations

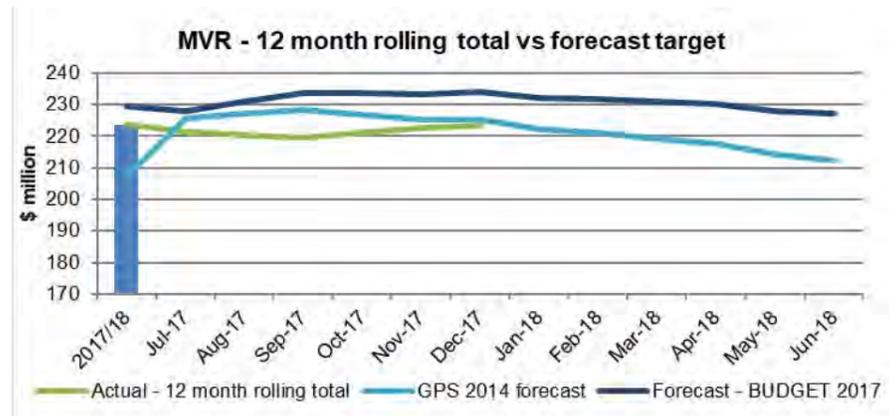
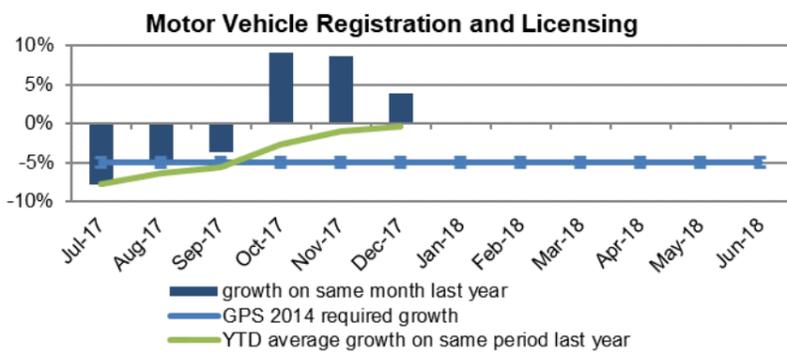
Motor Vehicle Registration revenue is around \$220 million each year. This is approximately 6% of total National Land Transport Fund revenue.



	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
\$ million Actual	18	15	16	12	15	21	28	23	19	21	18	16	-	-	-	-	-	-	126
Forecast - GPS 2014	15	13	13	11	11	19	33	26	21	17	15	15	15	13	14	11	12	19	128
Difference \$	3.3	1.5	2.2	1.8	3.5	2.4	-4.3	-2.6	-1.9	3.1	3.0	0.8							-1.9
Difference %	21.6%	11.4%	16.8%	16.8%	30.5%	12.6%	-13.1%	-10.0%	-9.1%	17.9%	19.2%	5.5%							-1.5%
Forecast - BUDGET 2015	14	12	13	10	11	18	30	24	20	16	14	14	14	13	13	10	11	18	119
Forecast - BUDGET 2016	16	14	14	11	12	20	34	27	22	18	16	16	16	14	14	11	12	20	133
Forecast - BUDGET 2017	17	15	15	12	13	21	35	28	23	19	16	16	17	14	15	12	12	21	137

MVR Revenue on track

- Actual revenue is below the GPS 2014 forecast by \$1.9 million (1.5%) for the first two quarters of 2017/18. This follows a stronger quarter two than was predicted by GPS 2014.
- The Ministry believes MVR revenue will be close to the same figure as last year (approx. \$222 million).



Forecast growth for the year

- The GPS 2014 forecast for 2017/18 is 5% lower than 2016/17 MVR actual revenue, as shown by the light blue line in the graph on the right.
- However, the Ministry believes MVR revenue will be close to the same figure as last year (approx. \$222 million).