



# REGIONAL FUEL TAX FOURTH QUARTER REPORT

1 April – 30 June 2024

NZ Transport Agency Waka Kotahi

3 September 2024

v1.0

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## Introduction

A regional fuel tax (RFT) scheme (the scheme) was implemented on 1 July 2018 for the Auckland region, excluding Great Barrier Island (the scheme area). The purpose of the RFT is to enable additional investment for transport projects in the Auckland region as set out in Auckland Council's RFT proposal approved by the Minister of Transport and the Minister of Finance.

RFT is charged at a rate of 10 cents per litre (plus GST) on petrol and diesel (including their bio-variants) when first delivered to locations such as service stations, commercial fuel storage tanks, machines, marinas and vehicles inside the Auckland region. NZTA administers the collection of RFT directly from fuel distributors (also known as 'taxpayers') and forwards the tax collected to Auckland Council, less any rebates paid and service cost.

This report covers NZTA's quarterly reporting requirements under section 65Y(3) of the Land Transport Management Act 2003 (LTMA). NZTA is required to report to the Minister of Transport quarterly and publish this report online.

RFT quarterly reporting periods for 2023/24 financial year are:

- Q1 2023/24: 1 July – 30 September
- Q2 2023/24: 1 October – 31 December
- Q3 2023/24: 1 January – 31 March
- Q4 2023/24: 1 April – 30 June

This report relates to the fourth quarter (Q4). Please note, as mentioned in the report, fuel volume data for outside Auckland is reported one quarter in arrears.

**The RFT scheme ended on 30 June 2024, this Q4 report will be the final RFT quarterly report produced.**

## Executive summary

This section sets out a high-level summary of the findings in this report.

### Volume

- Within RFT scheme area this quarter:
  - the volume of *petrol* distributed within the scheme area decreased against the previous quarter
  - the volume of *diesel* distributed within the scheme area decreased against the previous quarter.
- Outside RFT scheme area in Q3 2023/24 (*latest quarter where data is available*):
  - the volume of *petrol* distributed outside the scheme area decreased against the previous quarter
  - the volume of *diesel* distributed outside the scheme area decreased against the previous quarter.

### Price

- Median prices *inside* the scheme area for 91 octane petrol are 72.3 cents per litre higher this quarter compared to the Q4 2017/18 baseline. Compared to Q3 2023/24, prices have increased by 1.8 cents per litre.
- Median prices *outside* the scheme area for 91 octane petrol are 66.0 cents per litre higher this quarter compared to the Q4 2017/18 baseline. Compared to Q3 2023/24, prices have increased by 2.0 cents per litre.
- Fuel prices continue to differ across the country, this quarter:
  - Hawke's Bay recorded the lowest median 91 octane petrol price across the country at **269.9** cents per litre (compared to the lowest of 267.7 cents per litre last quarter recorded in Bay of Plenty)
  - West Coast again recorded the highest median 91 octane petrol price across the country at **300.5** cents per litre (compared to the highest of 292.5 cents per litre last quarter recorded in West Coast).

### Compliance and exemptions

- No complaints or concerns were raised to NZTA regarding bringing untaxed fuel into the region.
- No exempt sites were referred for onsite inspection.
- No instances of non-compliance and/or tax avoidance and therefore there were no penalties applied.

## Fuel delivered inside the scheme area

The quarterly data for the volume of fuel delivered inside the scheme area is collected from regional fuel taxpayers' monthly returns, required under section 65V of the LTMA. Due to legislative requirements and internal processing timeframes, this data is available the month following the end of the quarter. The quarterly totals for petrol and diesel in Table 1 include all fuel delivered within the Auckland scheme area, whether or not it was liable for RFT (except for fuel exported to the Pacific Islands).

To accurately observe changes to fuel and diesel volumes before the RFT scheme took effect requires comparable baseline data. Historical baseline data was collected from Auckland Council's Local Authority Fuel Tax (LAFT) returns to calculate an approximate baseline for fuel and diesel volumes prior to the implementation of the RFT scheme. It should be noted that the Auckland LAFT geographical area differs to the geographical area covered by the RFT scheme area as LAFT returns for fuel sold within the Auckland region includes Great Barrier Island. Since the baseline data is not directly comparable, Figure 1 represents an approximate change in the volume of fuel delivered in the Auckland RFT scheme area against baseline.

**Table 1 – Fuel volumes delivered inside the scheme area**

	Total volume delivered inside the scheme area (million litres)	Total volume delivered inside the scheme area (million litres)	Total volume delivered inside the scheme area (million litres)
	<i>Petrol</i>	<i>Diesel</i>	<i>Petrol + Diesel</i>
Q4 2017/18: 1 Apr – 30 Jun (baseline before RFT implemented)	269.15	175.80	444.95
Q4 2020/21: 1 Apr – 30 Jun	262.78	237.83	500.61
Q1 2021/22: 1 Jul – 30 Sep	173.59	174.90	348.49
Q2 2021/22: 1 Oct – 31 Dec	205.80	234.09	439.89
Q3 2021/22: 1 Jan – 31 Mar	226.12	235.14	461.26
Q4 2021/22: 1 Apr – 30 Jun	234.71	217.76	452.47
Q1 2022/23: 1 Jul – 30 Sep	238.42	228.98	467.40
Q2 2022/23: 1 Oct – 31 Dec	254.57	232.26	486.83
Q3 2022/23: 1 Jan – 31 Mar	245.46	233.03	478.49
Q4 2022/23: 1 Apr – 30 Jun	251.30	224.51	475.81
Q1 2023/24: 1 Jul – 30 Sep	195.24	203.43	398.67
Q2 2023/24: 1 Oct – 31 Dec	250.68	231.09	481.77
Q3 2023/24: 1 Jan – 31 Mar	249.06	230.77	479.83
Q4 2023/24: 1 Apr – 30 Jun	220.31	227.77	448.08

Note 1: The data for the baseline (fuel sold) and this quarter (fuel delivered) is derived from different sources and therefore, particularly for diesel, may not reflect the total volume of fuel delivered inside the scheme area. The fuel volumes include both petrol and diesel (including bio-fuels and ethanol portions).

**Figure 1 – Fuel volume delivered inside the scheme area**



## Fuel delivered outside the scheme

The quarterly and baseline data for fuel volumes delivered outside the scheme area is collected by other government organisations for the whole of Aotearoa. To estimate the volume of petrol and diesel fuel distributed outside the scheme area, NZTA must subtract the scheme area volumes from the total volumes for the entire country. The reported volume includes fuel imports, refining volumes (not exported out of the country) and stock change. The baseline data is calculated similarly but subtracts the LAFT volume sold within the Auckland region (including Great Barrier Island), meaning the baseline is not directly comparable.

Due to the complexities of how this information is collected, there is a significant delay in obtaining data for quarterly reporting. Since the volume data is delayed and NZTA is committed to providing this report in a timely manner, fuel volume delivered outside the Auckland scheme area is reported one quarter in arrears.

**Table 2 – Fuel volumes delivered outside the scheme area**

	Total volume delivered outside the scheme area (million litres)	Total volume delivered outside the scheme area (million litres)	Total volume delivered outside the scheme area (million litres)
	<i>Petrol</i>	<i>Diesel</i>	<i>Petrol + Diesel</i>
Q4 2017/18: 1 Apr – 30 Jun (baseline before RFT implemented)	486.64	788.84	1,275.48
Q3 2020/21: 1 Jan – 31 Mar	697.00	694.87	1,391.87
Q4 2020/21: 1 Apr – 30 Jun	472.70	698.75	1,171.45
Q1 2021/22: 1 Jul – 30 Sep	565.06	897.78	1,462.84
Q2 2021/22: 1 Oct – 31 Dec	421.40	627.77	1,049.17
Q3 2021/22: 1 Jan – 31 Mar	562.77	795.25	1,358.02
Q4 2021/22: 1 Apr – 30 Jun	554.02	666.04	1,220.06
Q1 2022/23: 1 Jul – 30 Sep	323.60	703.00	1,026.60
Q2 2022/23: 1 Oct – 31 Dec	439.40	794.95	1,234.35
Q3 2022/23: 1 Jan – 31 Mar	583.65	834.40	1,418.05
Q4 2022/23: 1 Apr – 30 Jun	490.37	772.34	1,262.71
Q1 2023/24: 1 Jul – 30 Sep	387.13	759.39	1,146.52
Q2 2023/24: 1 Oct – 31 Dec	583.36	873.07	1,456.43
Q3 2023/24: 1 Jan – 31 Mar	522.50	865.76	1,388.26

Note 1: This information is provided by other government and fuel distribution organisations and reported one quarter in arrears. The fuel volumes include both petrol and diesel (including bio-fuels and ethanol portions).



**Figure 2 – Fuel volume delivered outside the scheme area**



## Fuel prices inside and outside the scheme area

Under section 65Y(3)(b) of the LTMA, NZTA is required to report information on fuel prices inside and outside the scheme area. To meet this obligation, NZTA had to identify a source for fuel price reporting in Aotearoa. NZTA used standard procurement processes and Datamine, a third-party provider, was determined to be the most appropriate supplier of fuel price data for this report.

Datamine information is publicly sourced, cleansed and aggregated through robust statistical methodologies prior to being provided to NZTA. This means the final quality of the dataset cannot be independently verified by NZTA. The price observations are based on 'board prices' (including GST), which means discounts from individual service stations are included but customer promotions (eg discount vouchers and loyalty schemes) are excluded from the dataset.

**Table 3 – Median fuel prices by region (NZD cents per litre including GST)**

	Baseline (Q4 2017/18) (1 April – 30 June 2018)				Q4 2023/24 (1 April – 30 June 2024)			
	91	95	98	Diesel	91	95	98	Diesel
<b>Auckland</b>	207.9	222.9	226.9	138.9	291.7	312.9	318.9	225.9
<b>Median outside scheme area (for comparison with AKL)</b>	211.9	222.9	226.9	142.9	277.9	295.1	307.9	204.9
Bay of Plenty	206.7	220.9	222.7	135.9	271.9	290.9	297.7	204.7
Canterbury	219.9	226.9	236.9	152.9	275.6	290.9	311.9	201.9
Gisborne	208.0	221.9	227.9	136.9	272.9	286.9	295.9	204.9
Hawke's Bay	205.9	217.9	217.7	135.9	269.9	286.9	302.4	199.9
Manawatū-Whanganui	205.9	219.9	228.7	134.9	274.9	290.9	302.9	199.9
Marlborough	219.9	226.9	235.9	151.9	279.9	297.9	311.9	209.9
Nelson	221.9	230.9	238.9	157.9	271.6	288.6	301.9	203.0
Northland	212.7	221.9	217.7	141.9	287.7	304.9		209.7
Otago	219.9	224.9	234.9	152.9	281.9	297.9	313.9	201.9
Southland	213.9	219.9		143.9	283.6	296.1	307.6	199.9
Taranaki	201.9	214.9	218.7	132.5	277.9	296.9	301.7	203.7
Tasman	219.4	223.9	239.9	152.9	277.9	292.8	305.9	206.9
Waikato	207.9	221.0	224.7	136.9	276.9	297.9	309.9	206.7
Wellington	215.9	226.9	236.9	148.9	280.9	298.9	316.9	208.9
West Coast	223.9	228.9	251.9	155.9	300.5	319.9	341.9	226.9

Note: The fuel prices for 91, 95 and 98 octane petrol are recorded where available and blank cells indicate no prices were observed.

**Table 4 – Fuel price range by region for Q4 1 April – 30 April 2024 (NZD cents per litre including GST)**

	91			95			98			Diesel		
	Lowest	Median	Highest	Lowest	Median	Highest	Lowest	Median	Highest	Lowest	Median	Highest
Auckland	209.20	291.70	380.80	240.10	312.90	391.60	256.30	318.90	380.30	151.30	225.90	309.70
<b>Median outside scheme area (for comparison with AKL)</b>	<b>225.70</b>	<b>277.90</b>	<b>333.50</b>	<b>239.10</b>	<b>295.10</b>	<b>355.10</b>	<b>251.70</b>	<b>307.90</b>	<b>362.90</b>	<b>149.90</b>	<b>204.90</b>	<b>262.70</b>
Bay of Plenty	229.00	271.90	317.40	237.40	290.90	347.60	249.70	297.70	347.30	142.80	204.70	271.90
Canterbury	233.50	275.60	317.40	244.50	290.90	338.70	274.50	311.90	346.90	154.70	201.90	251.10
Gisborne	203.00	272.90	354.10	234.70	286.90	345.70	252.80	295.90	335.30	145.50	204.90	269.30
Hawke's Bay	195.40	269.90	346.10	222.20	286.90	356.00	242.80	302.40	360.10	124.50	199.90	281.10
Manawatū-Whanganui	222.70	274.90	326.80	235.30	290.90	348.20	245.20	302.90	364.60	153.00	199.90	249.90
Marlborough	230.00	279.90	333.40	244.40	297.90	355.30	284.40	311.90	335.40	170.10	209.90	252.80
Nelson	236.60	271.60	302.10	252.80	288.60	321.20	276.60	301.90	328.90	171.20	203.00	234.50
Northland	230.00	287.70	347.50	243.10	304.90	368.80				155.50	209.70	265.10
Otago	238.30	281.90	328.90	242.10	297.90	358.70	263.00	313.90	367.50	151.80	201.90	256.90
Southland	222.20	283.60	345.40	250.30	296.10	340.70	286.10	307.60	333.10	133.60	199.90	270.80
Taranaki	238.80	277.90	319.80	250.90	296.90	346.00	240.50	301.70	359.20	160.20	203.70	248.90
Tasman	219.20	277.90	342.30	237.70	292.80	350.50	270.90	305.90	336.80	152.70	206.90	265.30
Waikato	227.70	276.90	332.40	240.00	297.90	361.80	250.40	309.90	368.60	152.50	206.70	263.30
Wellington	243.40	280.90	322.70	253.80	298.90	345.20	272.60	316.90	360.10	169.80	208.90	249.80
West Coast	241.20	300.50	360.60	249.30	319.90	393.50	271.10	341.90	407.90	162.30	226.90	293.30

Note: The fuel prices for 91, 95 and 98 octane petrol are recorded where available and blank cells indicate no prices were observed.

Figure 3 shows the difference between scheme area fuel prices and the average fuel price nationally outside the scheme area. This report compares average prices inside and outside the scheme area after the RFT implementation.

**Figure 3 – Price difference between fuel inside and outside of the scheme area (raw figures)**

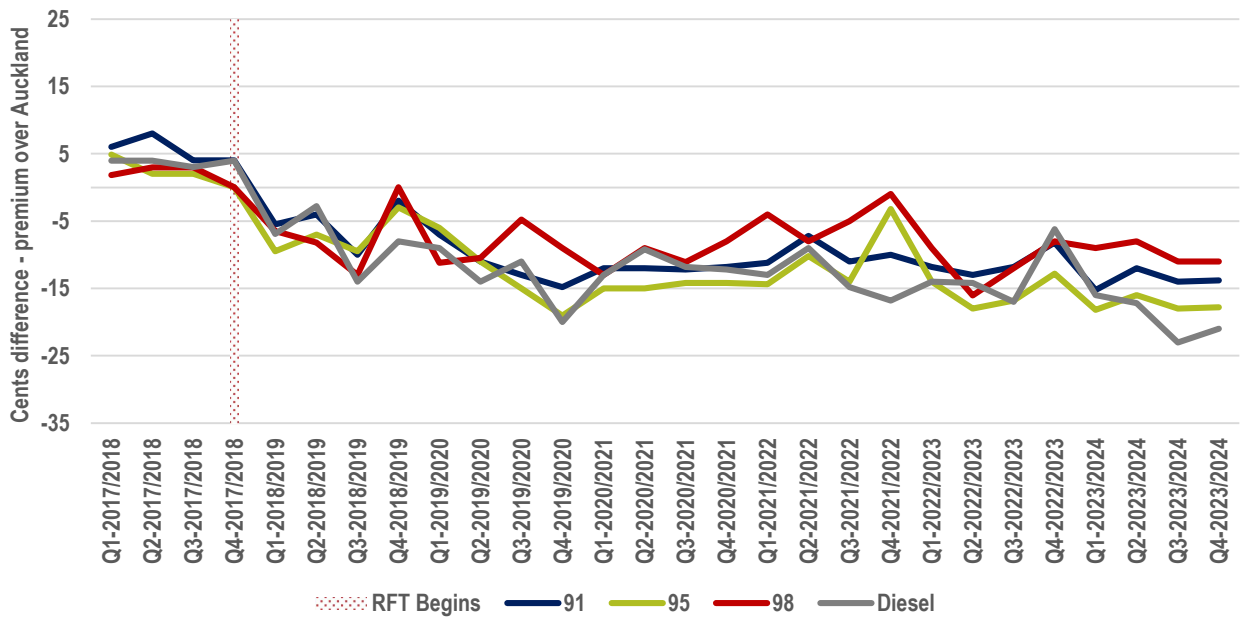


Figure 4 shows the difference between average fuel prices inside and outside the scheme for 91, 95, 98, and diesel fuels when adjusting out the expected 11.5c impact arising from introducing RFT.

**Figure 4 – Price difference between fuel inside and outside the scheme area (adjusted figures)**

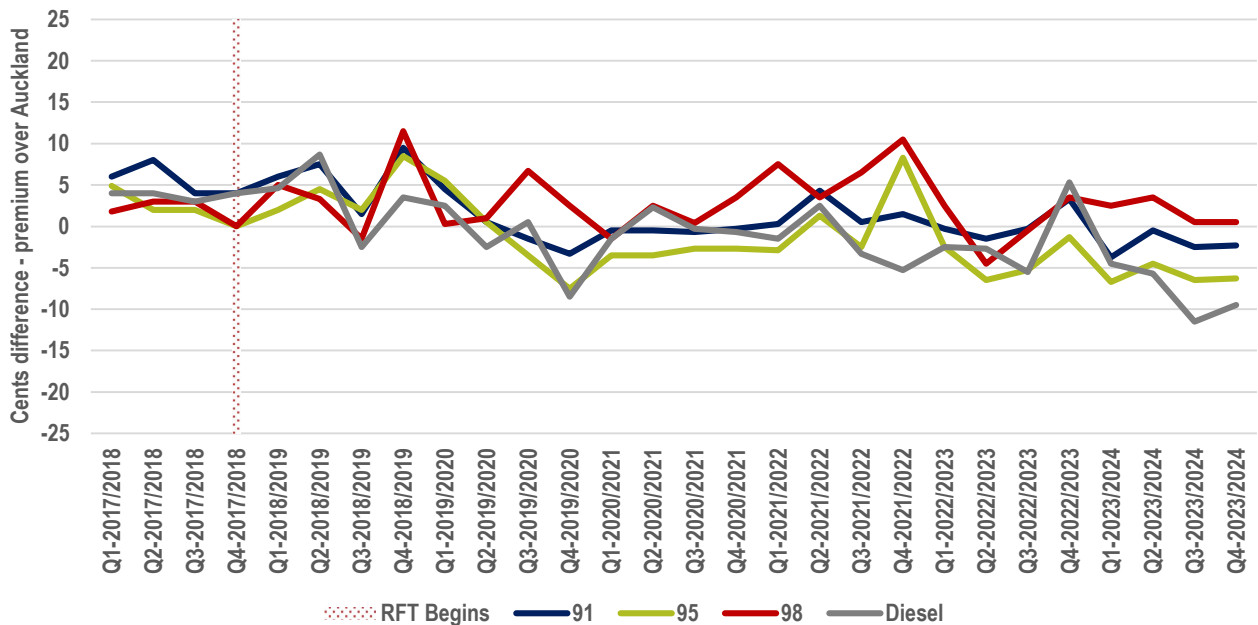


Figure 5 illustrates the difference between 91 petrol fuel prices in the scheme area and other regions.

**Figure 5 – Price differences between the scheme area and other regions (raw figures)**

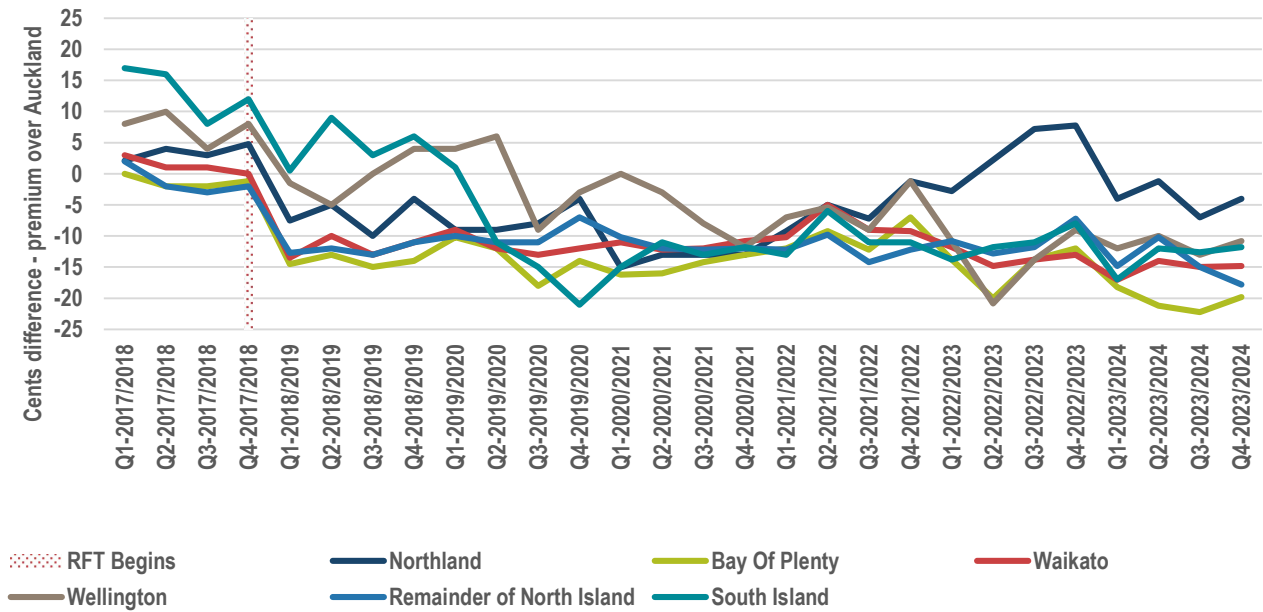
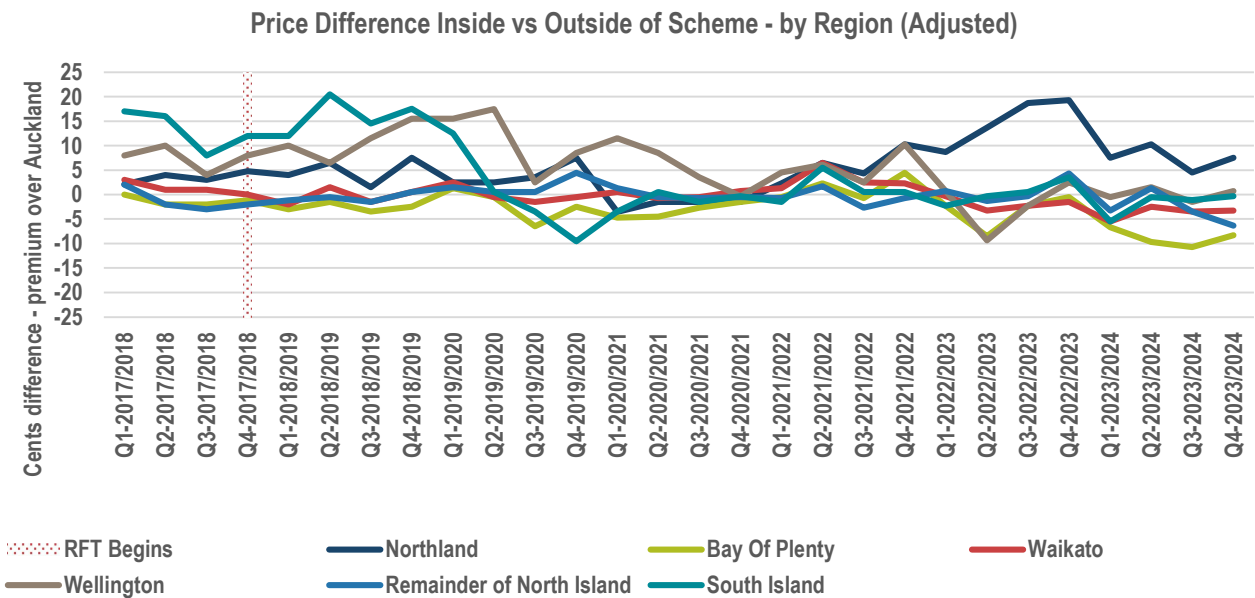


Figure 6 shows the difference between average fuel prices inside and outside of the scheme area for 91 octane petrol in various regions when adjusting out the expected 11.5c impact from the introduction of RFT.

**Figure 6 – Price differences between scheme area and other regions (adjusted figures)**



## Compliance checks

Under section 65Y3(c) and (d) of the LTMA, NZTA must report information on non-compliance with the RFT scheme and on avoidance of RFT.

NZTA is guided by Tū ake, tū māia (stand up, stand firm), its regulatory strategy underpinned by good regulatory practice: effective, firm and fair, and a 'real world' regulator.

As the first point of non-compliance checks, NZTA has developed assessment processes for RFT revenue collection and rebates.

NZTA is resourced to conduct RFT audits. These audit investigations are to identify avoidance of RFT and non-compliance within the Auckland RFT scheme.

Taxpayer audits are scheduled to review company procedures and fuel management systems (first component). The second component of each of these audits will include an analysis of fuel distribution data and a re-assessment of tax payable if required.

### **Site exemptions (sites exempt from paying RFT)**

This includes site inspections, reports and recommendations upon customer applications for a site exemption, and the renewal/amendment of an approved exempted site.

Audit frequency: As required (referred through RFT assessments or chosen at random).

### **Scheduled/unscheduled taxpayer (fuel distributor) audits**

This includes audits of all regional fuel taxpayers' record-keeping systems and their compliance in reporting and paying RFT.

Audit frequency: Taxpayer audits are completed according to an audit schedule, and as required (referred through RFT assessment processes).

### **Rebate claim audits**

This includes targeted and randomly targeted audits of rebate customers' RFT rebate claims.

NZTA has now collected sufficient data and evidence from rebate claimants to identify targeted audits.

Audit frequency: As required (referred through RFT assessment processes).

### **Bureau audits**

Bureaus are organisations that file rebate claims on behalf of another entity (customer) for a fee. Upon entering into a service agreement with NZTA, bureaus must undergo an audit of their internal processes and systems. Bureaus are also subject to ongoing regular audits to evaluate compliance and remediation of any issues identified. These include audits of rebate claims submitted.

Audit frequency: As required (referred through RFT assessment processes).

**Table 5 – Scheduled compliance activities**

Scheduled compliance activities
<p>Q4 2023/24</p> <hr/> <p>No exempt sites were referred for onsite inspection.</p> <p>Two exempt sites were assessed for renewal, all were renewed.</p> <p>Note: All RFT exempt sites had their expiry dates amended to the end date of 30th of June 2024.</p> <p>No new exempt site applications were received.</p> <p>No rebate claimant reviews were conducted.</p> <p>Note: Communications were sent to all RFT claimants reminding them of the end date for claims being the 31st of October 2024.</p> <p>The review and analysis completed in Q3, regarding an issue with a taxpayers return, and provided to NZTA's Finance Team for consideration will now become part of the taxpayer audit commenced this quarter (Q4).</p> <p>Revenue Integrity conducted a process review of a RFT taxpayer (December 2023) regarding their request to the Finance Team for a credit of overpayments totalling \$816,084.64 excluding GST. The credit was processed within Q4 2023/2024.</p>
<p>Q3 2023/24</p> <hr/> <p>No exempt sites were referred for onsite inspection.</p> <p>No exempt sites were assessed for renewal.</p> <p>No new exempt site applications were received.</p> <p>No rebate claimant reviews were conducted.</p> <p>An issue regarding a taxpayers RFT returns was identified. A review, including analysis, was conducted and provided to NZTA's Finance team for their consideration. An audit of this taxpayer will commence in Q4 2023/2024.</p> <p>The Taxpayer audit expected to be completed in Q3 2023/24 is now expected to be completed in Q4 2023/2024.</p>
<p>Q2 2023/24</p> <hr/> <p>No exempt sites were referred for onsite inspection.</p> <p>Three exempt sites were assessed for renewal, all were renewed.</p> <p>One new exempt site application was received and approved.</p> <p>No rebate claimant reviews were conducted.</p> <p>Payment from an assessment (RFT Taxpayer audit) of unreported tax, totalling \$269,523.18 inclusive of penalties and GST was made to NZTA.</p> <p>A taxpayer audit was completed in Q2 2023/24. Audit findings showed unreported RFT. An assessment was completed and payment totalling \$26,183.44 inclusive of penalties and GST was made to NZTA.</p> <p>Another taxpayer audit, commenced in Q1 2023/24, is expected to be completed in Q3 2023/24.</p>
<p>Q1 2023/24</p> <hr/> <p>No exempt sites were referred for onsite inspection.</p> <p>Eight exempt sites were assessed for renewal, all were renewed.</p> <p>One review of a rebate claimant was completed regarding penalties and was declined.</p> <p>An assessment of unreported tax was completed and provided to a taxpayer. Payment of unreported tax, including penalties, is expected in Q2 2023/24.</p> <p>A taxpayer audit, in progress, is expected to be completed in Q2 2023/24. Analysis is being conducted for unreported tax.</p> <p>Another taxpayer audit, commenced in Q1 2023/24, is expected to be completed in Q3 2023/24.</p>

**Table 6 – Activity of non-compliance and tax avoidance**

	Non-compliance	Avoidance
Q4 2023/24	There were no instances of non-compliance and/or tax avoidance and therefore there were no penalties applied during this quarter.	No complaints or concerns were raised to NZTA regarding bringing untaxed fuel into the region.
Q3 2023/24	Three taxpayers have been penalised for late filling and have since paid the late-filling penalty.	No complaints or concerns were raised to NZTA regarding bringing untaxed fuel into the region.
Q2 2023/24	A taxpayer has been penalised for under-reporting tax and has since paid both the under-reported tax and the under-reporting penalty.	No complaints or concerns were raised to NZTA regarding bringing untaxed fuel into the region.
Q1 2023/24	A taxpayer has been penalised for under-reporting tax and has since paid both the under-reported tax and the under-reporting penalty.	No complaints or concerns were raised to NZTA regarding bringing untaxed fuel into the region.

## Definitions

The following definitions are NZTA’s interpretation of non-compliance and avoidance when specifically referring to section 65Y3(c) and (d).

- **Non-compliance:** includes any act or omission by any person subject to obligations under an RFT scheme that results in the person failing to comply with any of their obligations under the RFT provisions of the LTMA and its regulations.
- **Avoidance:** includes any act or omission by any person subject to obligations under an RFT scheme that results in the person avoiding (or attempting to avoid) RFT, where NZTA considers on reasonable grounds that the act or omission was deliberate or fraudulent in nature.