

Coversheet: Increases to Road User Charges for 2020 to fund the Government Policy Statement on Land Transport 2018

Advising agencies	<i>Ministry of Transport</i>
Decision sought	<i>Increase to road user charges for 2020/21</i>
Proposing Ministers	<i>Minister of Transport – Hon Phil Twyford</i>

Summary: Problem and Proposed Approach

Problem Definition

What problem or opportunity does this proposal seek to address? Why is Government intervention required?

The Government announced its planned spending on transport over the next ten years in the Government Policy Statement on Land Transport 2018. In that document, the Government acknowledged that existing revenue sources were insufficient to fund planned spending on transport. As a remedy, the rates of petrol excise duty (*tax on petrol*) and road user charges (*distance-based fees for non-petrol vehicles*) would be increased each year for three years. Since that announcement, petrol excise duty has been increased for 2018, 2019, and 2020, and road user charges have been increased for 2018 and 2019. The problem this proposal seeks to address is the optimum way to increase road user charges for 2020 to deliver the revenue required and ensure parity with petrol vehicles.

Summary of Preferred Option or Conclusion (if no preferred option)

How will the agency's preferred approach work to bring about the desired change? Why is this the preferred option? Why is it feasible? Is the preferred approach likely to be reflected in the Cabinet paper?

Option two - our preferred option is to increase road user charges rates according to the rates modelled by the Ministry of Transport's cost allocation model.¹ This would mean raising rates by different amounts for different vehicle types. The Ministry of Transport's cost allocation model been designed to calculate the rates of road user charges using actual expenditure data (costs) for different types and weights of vehicle.² Some legislated rates have been under/over the rates as indicated by the cost allocation model for some time.

Our preferred option targets increases at those road user charges rates which are below the cost allocation model rates and seeks to avoid increasing those road user charges rates which are above the cost allocation model rates. However, it proposes to cap increases to road user charges rates to 7 percent, to minimise the impact on owners of those vehicle types. Our preference is option 2.

¹ The Ministry of Transport's cost allocation model calculates rates taking into account a number of factors, including the weight of the vehicle, the size of the vehicle (amount of space taken up on the road) and the number of axles, which impacts the amount of road wear caused by the vehicle for a given vehicle weight (more axles generally means less road wear).

² There are approximately 80 different vehicle types, each with their own road user charges rate.

The appendix sets out the current rates and each of the options proposed to increase rates. It also compares the rates to be set by each option against the rates indicated by the cost allocation model.

Section B: Summary Impacts: Benefits and costs

Who are the main expected beneficiaries and what is the nature of the expected benefit?

Road users, along with other land transport system users, will benefit from increased investment in our transport system. The proposed increase in road user charges will provide between \$99 and \$101 million in additional revenue to be invested in the land transport system. This amount is needed to ensure there is funding to deliver the Government Policy Statement on Land Transport. The revenue estimate is based on a revenue model underpinned by travel (transport trends and activity data) and economic data and assumptions.

Where do the costs fall?

Road users are subject to the road user charges will face increased costs. New Zealand has a substantial land transport network and vehicle fleet. There are around 4.3 million vehicles in New Zealand. This includes around 750,000 light diesel vehicles and 146,000 heavy diesel vehicles subject to road user charges.

The additional revenue from road user charges, and therefore the additional costs, are estimated at between \$99 and \$101 million in 2020-21.

The rate of road user charges for a light vehicle would go from \$72 to \$77 per 1,000 kilometres under the Ministry of Transport's preferred option. A number of other rates will also increase; however, we have highlighted this vehicle type as there a large number of these vehicles and this increase will impact the most households and individuals. All rate changes are set out in the Appendix.

There are also likely to be indirect costs beyond the road transport sector as costs are passed on throughout the economy (for example, increases to the cost of goods and services delivered by road transport). We are unable to accurately quantify this across the economy as it depends on a variety of factors. Still, we do not envisage the price changes across the economy to be significant (based on the effect of the changes in 2018 and 2019).

Waka Kotahi the NZ Transport Agency (NZTA) will incur some additional costs relating to implementing the rate changes, but these are unlikely to be significant.

What are the likely risks and unintended impacts? How significant are they and how will they be minimised or mitigated?

Increasing road user charges rates is a routine and standard process, which has been done several times by successive governments. However, there is likely to continue to be concern expressed by some road users about additional costs on households and businesses, particularly those who consider the rate increases unfair or unjustified.

The Government's main mitigation for households and individuals is to address the impact on low and middle-income households through the social welfare system which supplements

the income of low to middle-income households. To this end, a substantial Families Package was introduced by the Government in 2018.

For businesses, the Government has signalled the increases well in advance, consulted on the need to increase revenue (but has not consulted on the rate increase methodology) as part of the Government Policy Statement on Land Transport, and phased the increases over three years. The phasing helps mitigate the impact of the changes for all groups, including lower-income households.

We do not foresee any significant risks or unintended impacts from implementing the regulatory change to be minimised or mitigated.

Section C: Evidence certainty and quality assurance

Agency rating of evidence certainty?

The revenue has been forecast using Ministry of Transport models which are underpinned by travel (transport trends and activity data) and economic data and assumptions. The models are updated and reviewed regularly and have been shown to be reliable and robust.

We do not have a full and accurate understanding of the potential impacts (including the potential social impact) of the rate changes on different communities.

For the purposes of this analysis, the Ministry of Transport has assumed that the overall programme of investment that results from the revenue will have a Benefit Cost Ratio (BCR) of greater than one, based on NZTA's cost-benefit analysis of individual projects, so there will be a net benefit from a higher level of investment. This is based on our understanding that projects on average with a BCR of less than 1 are unlikely to be funded.

Quality Assurance Reviewing Agency:

Ministry of Transport - Transport Sector Regulatory Impact Statement Quality Assurance Panel (the Regulatory Quality Panel).

Quality Assurance Assessment:

Meets the quality assurance criteria.

Reviewer Comments and Recommendations:

The Regulatory Quality Panel has reviewed the *Full Impact Statement: Increases to Road User Charges for 2020 to fund the Government Policy Statement on Land Transport 2018* and considers that it meets the criteria. Although a clearer explanation of how options were identified and the assessment criteria chosen would have been useful, the panel is satisfied that the impact analysis is based on robust evidence, appropriate for the scale of the problem and that the conclusions are sound. The Regulatory Quality Panel notes stakeholder consultation has not been undertaken on the rate-setting methodology but recognises that wider consultation on proposed increases to Road User Charges was undertaken as part of the Government Policy Statement consultation. Based on the process followed for consulting on similar changes in the past, the Regulatory Quality Panel considers that this approach is appropriate.

Impact Statement: Increases to Road User Charges for 2020 to fund the Government Policy Statement on Land Transport 2018

Section 1: General information

1.1 Purpose

The purpose of this Impact Summary is to assess options for increasing the rates of road user charges to fund the Government Policy Statement on Land Transport 2018. The rates of road user charges are set in regulations and may be changed by Order in Council.

In 2018, the Government set its priorities for the land transport system, including expenditure priorities. As our land transport system is primarily funded from charges on road users (through petrol excise duty and road user charges), forecasting work was done to ensure that there was sufficient revenue to pay for the stated priorities. In preparing the Government Policy Statement on Land Transport, forecasting work projected that land transport revenue would total approximately \$40 billion. However, the Government's land transport priorities totalled approximately \$45.1 billion of investment over the period from 2018 to 2028, creating a shortfall of approximately \$5 billion over ten years.

To remedy this shortfall in revenue, Cabinet approved increases of petrol excise duty and road user charges. Rates were increased in 2018 and 2019, and the petrol excise increase for 1 July 2020 has been legislated. However, to put in place the increase for road user charges from 1 July 2020, Cabinet decisions are required and regulatory change is needed on the rate increase for road user charges.

The road user charges system is designed to account for, and recover charges based on, the different impacts imposed on the road network by different types of vehicles, as provided in section 3 of the Road User Charges Act 2012. Charges, therefore, differ based on the vehicle type, weight and configuration.

The need for additional revenue has been a recurring issue. Successive governments have had transport priorities that have exceeded the amount of revenue available. Rates of both petrol excise duty and road user charges have been increased substantially over the last twenty years to deliver revenue to invest in our land transport system on a pay-go basis. The rates need to be increased regularly to keep up with transport investment priorities and cost pressures.

Increasing the rates of road user charges will have cost on individuals and businesses. It is relatively simple to define the additional direct costs: approximately \$5 billion in additional costs to road users over ten years through higher rates of petrol excise duty and road user charges. The direct costs will be borne by road users, which will be both businesses and consumers. We have assumed that in most cases businesses will pass the increased transport costs to consumers through higher prices for goods and services.

The Ministry of Transport is solely responsible for the analysis and advice set out in this Regulatory Impact Statement, except as otherwise explicitly indicated. This analysis and advice have been produced to inform final policy decisions to be taken by Cabinet.

1.2 Key Limitations or Constraints on Analysis

Decisions and commitments have already been made as part of the Government Policy Statement 2018

The Government has already increased petrol excise duty by 3.5 cents per litre for 2018, 2019 and 2020 to fund its spending commitments in the Government Policy Statement on Land Transport 2018. It was also announced that road user charges would increase by an equivalent amount in each of those years, and increases have been made in 2018 and 2019.

Petrol excise duty has been increased by 5.3 percent for 2020, so the “equivalent increase” in road user charges overall is also 5.3 percent.

Constraints on cost-benefit analysis

NZTA determines the specific projects that will be funded within the activity class funding ranges. As part of deciding what projects get funded, NZTA conducts a cost-benefit analysis of individual projects. The Ministry of Transport has assumed projects prioritised by NZTA will have an overall benefit/cost ratio greater than one, so there will be a net benefit from the investments undertaken.

Impact of different vehicles is averaged into vehicle types

While there are 80 different road user charges rates for different vehicle types, there is some averaging within those rates. All roads in New Zealand are also treated as being affected by vehicles in the same way, based on averages, whereas the reality is that low-quality roads are much more adversely affected by heavy vehicle use than high-quality roads.

Assumptions underpinning impact analysis

The analysis in this paper is based on achieving levels of revenue required to fund expenditure targets in the Government Policy Statement on Land Transport 2018. The analysis is based on forecast revenue completed as part of preparing the Government Policy Statement on Land Transport 2018. Those forecasts incorporate several assumptions and are reviewed regularly.

No consultation on the rate-setting methodology, but there has been substantive engagement on the Government Policy Statement

Setting the rates of road user charges is largely a technical exercise driven by the need to fund the Government Policy Statement on Land Transport 2018. As part of developing the Government Policy Statement on Land Transport 2018, there was substantial public engagement. Changes to the individual rates for vehicle types are ordinarily not consulted on, and in this instance have not been consulted on.

1.3 Responsible Manager (signature and date):

Brent Lewers
Acting Manager, Demand Management & Revenue
System Strategy & Investment
Ministry of Transport

3 March 2020

Section 2: Problem definition and objectives

2.1 What is the current state within which action is proposed?

Having an effective, efficient and safe land transport network is important to the well-being of New Zealanders. The land transport network enables people get to work or leisure activities and businesses to trade and get goods to market.

Road users largely pay for our land transport system

New Zealand has a substantial land transport network and vehicle fleet. There are around 4.3 million vehicles in New Zealand. This is made up of around 3.1 million light petrol vehicles and around 750,000 light diesel vehicles and 146,000 heavy diesel vehicles.

Our land transport system is largely funded by road users. Two key ways road users contribute funding is through:

1. **petrol excise duty**, which is paid on petrol/liquefied petroleum gas/ compressed natural gas when imported or produced in New Zealand;
2. **road user charges**, which applies to vehicles not powered by fuel subject to the petrol excise duty, and vehicles with a gross vehicle mass³ of more than 3,500kg.

Road users subject to road user charges are required to purchase a distance licence. The distance on the licence must exceed the number of kilometres done by the vehicle (recorded by a hubodometer or odometer, depending on the vehicle). The cost of distance licence depends on the weight and configuration of the vehicle. The road user charges system is designed to account for, and recover charges based on, the different impacts imposed on the road network by different types of vehicles.

Both petrol excise duty and the road user charges system are designed so that a road user with a light petrol vehicle contributes roughly the same amount of revenue as a road user with light diesel vehicle. Neither system is intended to favour a particular fuel type or to price any externalities.

The revenue from road user charges (and petrol excise duty) is used to invest in our land transport system. The revenue goes into the National Land Transport Fund and how it is spent on is guided by:

- Government Policy Statement on Land Transport – sets out strategic direction and expenditure funding ranges for individual activity classes (public transport, local roads, state highway improvements)
- Regional Land Transport Plans – regional councils identify their priorities, including the land transport activities they wish to be funded from National Land Transport Fund, consistent with the direction in the Government Policy Statement on Land Transport.

³ Essentially the combined weight of the vehicle and its maximum load.

- National Land Transport Programme – produced by NZTA to give effect to the Government Policy Statement on Land Transport by setting out activities that are anticipated to be funded over the next three years at the national and regional level from the National Land Transport Fund. Project funding is subject to a business case and funding availability. The National Land Transport Programme takes account of projects identified in regional land transport plans. The National Land Transport Programme is renewed every three years.

Road user charges provide a significant proportion of total revenue

Road user charges provide an important stream of revenue for the investment in our land transport system. Revenue is also generated from motor vehicle registration, licensing fees, property sales of Crown land acquired for road projects but not used, and a variety of other sources. Collectively these are much smaller than either petrol excise duty or road user charges. Revenue collected in 2018/19 was:

- | | |
|------------------------------|-------------------|
| • Petrol excise duty | \$2,040.2 million |
| • Road user charges | \$1,726.9 million |
| • Motor vehicle registration | \$227.7 million. |

NZTA can also make limited use of financing, which is repaid out of the National Land Transport Fund.

The road user charges system imposes charges that vary based on the weight and configuration of the vehicle

The road user charges system is designed to account for, and recover charges based on, the different impacts imposed on the road network by different types of vehicles. Despite having existed since the late 1970s, and remaining fundamentally unchanged since then, New Zealand's road user charges system is considered world-leading.

The Ministry of Transport operates a cost allocation model which uses internationally-accepted road engineering calculations to determine the appropriate rates of road user charges for the 80 different categories for which rates are set. A key element is the "fourth power rule", under which the charge for the damage caused to roads increases by an exponential factor, meaning heavy vehicles pay rates which are significantly greater than light vehicles.

The current cost allocation model is a spreadsheet-based model that has been used by the Ministry of Transport since 2013. While some elements of the cost allocation model have been questioned (especially the fourth power rule discussed above), all have accepted its general fitness for use. A 2008 report by Infometrics that summarised the previous reviews of the cost allocation model concluded:⁴

The CAM [cost allocation model] has served its purpose rather well. Structurally it represents a sound approach to dealing with recovering the costs of road use and presenting users with prices that are a reasonable representation of long-run marginal costs.

⁴ Economic Assessment of the Cost Allocation Model, Infometrics 2008 at www.transport.govt.nz/assets/Import/Documents/149a7a6a6e/Infometrics20Economic20Analysis20of20the20Cost20Allocation20Model.pdf

Difference between the rates legislated and those indicated by the cost allocation model

However, over time the rates prescribed by legislation have diverged from the rates indicated by the Ministry of Transport's cost allocation model. Some legislated rates are more and other rates are less than those indicated by the cost allocation model. This difference potentially creates 'over' and 'under' recovery of the approximate cost that different vehicle types have on the road network. It creates potential inequities and cross-subsidisation between different vehicle types.

Social context relating to the land transport system and the need to increase road user charge rates

Transport is important to the economy and society and is a cost for many businesses and individual households. The cost of living, including increases in the cost of transport, is a real concern to many New Zealanders. At the same time, New Zealanders voice concerns about our transport system and how it is functioning. Striking the right balance between not imposing unreasonable costs on households/businesses and raising enough money to improve our transport system is the context to increasing the rates of road user charges.

2.2 What regulatory system(s) are already in place?

Both central and local government have a key role in land transport

Central government has a role in providing a land transport system that is safe, efficient and effective. Having a modern land transport system is vital to economic productivity (to enable goods to get to market) and to enable people to move and commute (for example, to get to work, to access goods and services and opportunities). Significant parts of the land transport system are owned by the Crown (for example, the state highway network) or part-funded by the Crown. This is similar to the situation in other developed countries where the central government has a role in providing land transport infrastructure.

Local government also has important land transport responsibilities. Local governments provide local roads and operate public transport services that serve regions. Approximately 50 percent of the cost of building and maintaining local roads comes from central government, with local governments funding the remainder, typically from general rates levied on land and real property and borrowing.

Central government regularly reviews its transport priorities

Central government reviews (approximately every three years) its transport priorities. Transport investments must meet the needs of local communities while also providing for the national public interest, which evolves over time. Funding requirements are reviewed when the Government sets out its priorities by issuing a Government Policy Statement on Land Transport.

Investment in the land transport system over the next ten year period is guided by priorities set out in the Government Policy Statement on Land Transport 2018, which was issued by the Minister of Transport following public engagement on 28 June 2018. The Government Policy Statement on Land Transport 2018 directs that priority is given to activities that improve safety, access, provide value for money and prioritise the environment. These

priorities are envisaged to be funded by the transport revenue sources outlined earlier in this document, including petrol excise duty and road user charges.

Additional revenue is required to ensure that the Government's priorities are delivered. The rates of road user charges and petrol excise duty need to be increased regularly to keep up with transport investment priorities and cost pressures.

There are several existing issues, longer-term issues and other work on-going

Reliance on road user charges is increasing

The share of petrol excise duty revenue in the National Land Transport Fund is slowly dropping, and therefore the reliance on road user charges is increasing. This is mostly a consequence of an increasing proportion of light diesel vehicles in the fleet, largely utes (and these vehicles travel more than most petrol vehicles). Revenue generated from petrol excise duty depends on the amount of fuel consumed. Vehicle fuel efficiency and vehicle kilometres travelled are key factors that affect fuel consumption. The fuel efficiency of the light petrol fleet has been gradually improving for a number of years and is predicted to continue to improve as the uptake of more fuel-efficient vehicles increases, including as a result of government policy initiatives. However, the rate of improvement of fuel economy does not yet put revenue at risk, and an increasing proportion of vehicles subject to road user charges and a falling proportion subject to petrol excise duty is broadly revenue-neutral.

Road use is correlated with economic growth

Ministry of Transport modelling assumes that economic growth is correlated with increased vehicle kilometres travelled. For example, vehicle kilometres travelled growth stalled during the global financial crisis, but it is not clear whether this causal relationship will continue to hold in the future. The revenue model also assumes that increases in fuel prices and road user charges rates negatively impact vehicle kilometres travelled.⁵ This is supported by economic analysis done for the model in the past. The elasticities calculated for this assumption are relatively low, so the overall effect is assumed to be relatively small, reflecting that people and businesses still depend heavily on road travel despite the price of fuel and road user charges.

Long-term work on the future of the transport revenue system is underway

The Ministry is considering the long-term future of the transport revenue system. This is likely to see petrol excise duty being replaced with something that brings all vehicles onto the same charging system.

2.3 What is the policy problem or opportunity?

Problem statement: The Government has decided that the rates of road user charges are to increase in 2020 to achieve the revenue objective set out in the Government Policy Statement on Land Transport 2018. There are different approaches to increase the rates of road user charges, and there is no one approach that has been consistently applied to increase the rates in the past.

⁵ Please note that total vehicle kilometres travelled might not decrease if the population increases.

Factors underlying this issue

Additional revenue is needed to fund the Government Policy Statement on Land Transport 2018

In 2018, the Government set its priorities for the land transport system, including expenditure priorities. As our land transport system is largely pay-go, forecasting work was done to ensure that there was sufficient revenue to pay for the stated priorities.

The forecasting work projected that land transport revenue would total approximately \$40 billion. However, the Government's land transport priorities totalled approximately \$45.1 billion of investment over the period from 2018 to 2028, creating a shortfall of approximately \$5 billion over ten years.

To remedy this shortfall in revenue, Cabinet approved increases in petrol excise duty of 3.5 cents per litre over three consecutive years and equivalent increases to the rates of road user charges. The rates of petrol excise and road user charges have been increased in 2018 and 2019, and the petrol excise duty increase for 1 July 2020 has been legislated. However, to put in place the increase for road user charges for 1 July 2020, regulatory change is required.

Without the increase in road user charges, there will be a revenue shortfall of between \$99 and \$101 million in 2020/21. The Government has committed to delivering the investment priorities set out in the Government Policy Statement on Land Transport 2018.

The need for additional revenue has been a recurring issue. Successive governments have had transport priorities that have exceeded the amount of revenue available. Rates of both petrol excise duty and road user charges have been increased substantially over the last twenty years to deliver revenue to invest in our land transport system on a pay-go basis.

As petrol excise duty increases on 1 July 2020, the rates of road user charges also need to increase to maintain parity between petrol and diesel vehicles

It is a longstanding policy that broadly speaking, a road user with a petrol vehicle of the average fuel consumption should pay the same amount to use the road network as a road user with a light diesel vehicle (requiring petrol excise duty and light vehicle road user charges to be set by reference to each other). As petrol excise duty will increase by 3.5 cents per litre on 1 July 2020, the rates of road user charges also need to increase to ensure an equal contribution is made (from vehicles subject to road user charges) to remedy the revenue shortfall.

2.4 What do stakeholders think about the problem?

The Government consulted on the increases as part of the Government Policy Statement on Land Transport 2018, but we have not separately consulted on the rate-setting methodology

Setting the rates of road user charges is largely a technical exercise driven by the need to fund the Government Policy Statement on Land Transport 2018. As part of developing the Government Policy Statement on Land Transport 2018 there was substantial public engagement. Changes to the individual rates for vehicle types are ordinarily not consulted on, and in this instance have not been consulted on.

The Government consulted on the increases to road user charges as part of the engagement on the draft Government Policy Statement on Land Transport 2018. The public engagement material made available as part of draft Government Policy Statement on Land Transport 2018 contained reference to increases in petrol excise duty and road user charges being required to deliver the investment priorities.

Submissions were received from a wide range of stakeholders including individuals, local government, representative bodies (e.g. the Road Transport Forum), private sector organisations, district health boards, interest and other community groups. A Summary of Submissions document was released at the same time as the final Government Policy Statement on Land Transport 2018.

There were mixed reactions to the increases to petrol excise duty and road user charges. Many submitters accepted that increases would be necessary to deliver on the Government's priorities, to create liveable cities and thriving regions. However, some submitters were strongly opposed to the increases. Submitters opposed to the increases were generally reluctant to pay more and did not see the relationship between additional cost and development and maintenance of the transport system. Some were concerned that the increases would impact disproportionately on households with lower or fixed (e.g. benefit) incomes. To assist households with the cost of living the Government introduced a families package which targets assistance to low and middle-income households. This kind of general approach to assist lower-income households is generally preferable as it is very difficult to implement specific subsidies or concessions for vehicle running costs.

2.5 What are the objectives sought in relation to the identified problem?

The key policy objective is to increase the rates of road user charges to raise sufficient revenue, from 1 July 2020, to enable the Government to deliver its transport agenda, as set out in the Government Policy Statement on Land Transport 2018. As envisaged by the assessment criteria set out below, an objective is that the increases are equitable, provide certainty and predictability and do not disproportionately affect some road users.

Section 3: Option identification

3.1 What options are available to address the problem?

We have identified four options to increase the rates of road user charges. The rates that would result from all options, and a comparison with the rates indicated by the Ministry of Transport’s cost allocation model, are set out in the Appendix.

- Option one – unconstrained alignment of road user charges rates with cost allocation model rates, plus 11.8 percent:** under this option, all road user charges rates would be changed to the rates indicated by the Ministry of Transport’s cost allocation model, with a further 11.8 percent⁶ required to be added to ensure the revenue target was met. This would see some rates increase by a significant amount, and others would fall by a significant amount.

<i>Examples:⁷</i>	<i>Cost allocation model rate</i>	<i>Current rate (per 1,000 km)</i>	<i>Proposed 2020 rate under this option</i>
Light vehicle rate (750,000 vehicles, 40% of total RUC revenue)	\$82	\$72	\$92 (Increase of 27.7%)
3 axle trucks / buses over 18 tonnes (estimated a few thousand vehicles, 12.6% of total RUC revenue)	\$337	\$412	\$377 (Decrease of 18%)

- Option two – align rates with cost allocation model rates within a 0 – 7 percent band:** this option is similar to option one, with the objective of moving rates to the rates indicated by the Ministry of Transport’s cost allocation model. However, there are three key differences:
 - o no rates are reduced, so rates that are above the cost allocation model rates remain above it.
 - o no rates are increased by more than 7 percent
 - o in order to achieve the desired amount of revenue, it may be necessary to increase some rates above the rates indicated by the cost allocation model (this is primarily to make up for the revenue shortfall caused by the light vehicle rate remaining less than the cost allocation model rate).

<i>Examples</i>	<i>Cost allocation model rate</i>	<i>Current rate (per 1,000 km)</i>	<i>Proposed 2020 rate under this option</i>
Light vehicle rate	\$82	\$72	\$77 (Increase of 7%)
3 axle trucks / buses over 18 tonnes	\$337	\$412	\$434 (Increase of 5.3%)

⁶ If the road user charges and fuel excise duty systems were working exactly as they should, then aligning the rates to the cost allocation model rates would deliver the right amount of revenue. Over the years fuel excise duty has been increased by less than road user charges – effectively leaving a revenue shortfall which needs to be made up by setting road user charges at a rate which is higher than the cost allocation model. This is a challenging issue to address and is outside the scope of this paper.

⁷ These are two of the approximately 80 road user charges rates in force. A full schedule of rates, showing all options, is set out in the Appendix.

3. **Option three – align rates with cost allocation model rates within a 0 – 10 percent range:** this option is similar to option one, and also has the objective of moving rates to the rates indicated by the Ministry of Transport’s cost allocation model. Like option two, those movements are subject to some limitations:
- no rates are reduced, so that rates that are above the cost allocation model rates remain above it.
 - no rates are increased by more than 10 percent
 - In order to achieve the desired amount of revenue, it may be necessary to increase some rates above the rates indicated by the cost allocation model (this is primarily to make up for the revenue shortfall caused by the light vehicle rate remaining less than the cost allocation model rate).

<i>Examples</i>	<i>Cost allocation model rate</i>	<i>Current rate (per 1,000 km)</i>	<i>Proposed 2020 rate under this option</i>
<i>Light vehicle rate</i>	\$82	\$72	\$79 (Increase of 9.7% ⁸)
<i>3 axle trucks / buses over 18 tonnes</i>	\$337	\$412	\$412 (no change)

4. **Option four – increase single road user charges rate by 5.3 percent:** under this option, every road user charges rate would be increased by 5.3 percent.

<i>Examples</i>	<i>Cost allocation model rate</i>	<i>Current rate (per 1,000 km)</i>	<i>Proposed 2020 rate under this option</i>
<i>Light vehicle rate</i>	\$82	\$72	\$76 (Increase of 5.6%)
<i>3 axle trucks / buses over 18 tonnes</i>	\$337	\$412	\$434 (Increase of 5.3%)

The options are not mutually exclusive – different approaches could be taken to different rates. For example, the increase to the light vehicle rate could be restricted to 5 or 7 percent, with other rates being increased by up to 10 percent. We have not considered experience from other countries because the road user charges system is unique to New Zealand.

3.2 What criteria, in addition to monetary costs and benefits have been used to assess the likely impacts of the options under consideration?

The four options presented here are evaluated against the following criteria:

1. **Certainty and predictability** – vehicles are long-lived assets, and road taxes are an unavoidable cost to vehicle owners. Significant changes to road taxes could make them more reluctant to invest in vehicles.

⁸ All road user charges rates are rounded to whole dollars, which means the actual increase is sometimes slightly above or below the targeted increase.

2. **Equity between vehicle types** – Different groups of road users are contributing as far as practicable in proportion to the costs they generate. This form of equity exists in two ways. The first is equity between different types of vehicles subject to road user charges. The second is between light diesel and light petrol vehicles, which impose broadly the same level of costs on the network and so should pay broadly the same level of charges.

Social equity impacts – some households (based on the Household Travel Survey sample about 16 percent of households owned a diesel vehicle) have a diesel vehicle and so pay road user charges. Almost all of these diesel vehicles will be light vehicles - only a very small number of heavy vehicles are used privately (large motorhomes and trucks used to transport horses, racing cars etc.). Social equity impacts would, therefore, be reduced by minimising rate increases to the light vehicle rate. However, high-income households would also benefit by more than low-income households, as they are roughly twice as likely to own a diesel vehicle.

3.3 What other options have been ruled out of scope, or not considered, and why?

There are some options we have chosen not to include in this analysis, because they would not meet the government's objectives, or would fall significantly short on key criteria. They include not increasing road user charges at all, which would be unfair to those who use petrol vehicles who will see their fuel excise duty costs increase from 1 July 2020, and cause Government to either be unable to deliver on its transport commitments or to need to "top-up" transport funding from non-transport revenues. Each of the four options set out above delivers the same amount of revenue, which is a 5.3 increase in road user charges revenue, the amount necessary to fund the government's transport commitments..

During engagement on the draft Government Policy Statement on Land Transport 2018 several other options were suggested by submitters. These included:

- implementing congestion charging,
- greater use of tolling.

These options are out of scope as a short-term solution to raise revenue. Implementing congestion charging and tolling existing roads would be a considerable change to our land transport revenue system. Tolling is expensive. Tolling requires expensive road-side equipment and an expensive back office. Congestion charging has recently been ruled out in the short term by the Minister of Transport for Auckland, Wellington and Christchurch, citing a lack of public transport services, but noted it could be useful tool in the future. As indicated above alternative options to raise revenue in the future are being considered by the Ministry of Transport through a project called the *Future of Land Transport Revenue System*, but this is likely to propose greater use of distance-based charging, so the issue considered here about the appropriate rates to set for different vehicle types will continue to arise.

Section 4: Impact Analysis

Criteria	Option one – unconstrained alignment of road user charges rates with cost allocation model rates plus 9.7% to meet revenue target	Option two – align rates with cost allocation model rates within a 0 – 7% band	Option three – align rates with cost allocation model rates within a 0 – 10% band	Option four – increase all RUC rates by 5.3%
Certainty and predictability	--	++	+	+++
Equity between vehicle types	+++	+	++	-
Social impact assessment	---	-	--	-0.5
Overall assessment	-2	2	1	-1.5

Key:

- +++ delivers very well against this criteria
- ++ delivers well against this criteria
- + delivers against this criteria
- 0 does not improve, or worsen, against this criteria
- achieves a negative result against this criteria
- achieves a significantly negative result against this criteria
- achieves a very significant negative result against this criteria

Explanation of options analysis

The Appendix sets out various road user charges rates for options one to four.

Option one – unconstrained alignment of road user charges rates with cost allocation model rates plus an additional 11.8 percent

This option would move all road user charges rates to the rates indicated by the Ministry of Transport's cost allocation model, with a further 11.8 percent needing to be added to ensure revenue targets were met.

Rating against certainty and predictability criterion – achieves a significantly negative result

In previous years, rates have never been decreased, and since 2018, increased by 10 percent or less. Decreasing some rates, and increasing others by large amounts, may be a surprise to owners of vehicles subject to road user charges. Owners of light vehicles would see an increase of almost 28 percent, and owners of some heavy vehicles would see significant decreases. This would not provide certainty and predictability.

Rating against equity between vehicle types criterion – delivers very well against this criteria

Alignment of all rates to the cost allocation model rates as a base removes the current situation where some rates being above the cost allocation model rates, while others are below, creates cross-subsidies. This would achieve equity between different vehicle types.

Rating against social equity criterion – achieves a very significant negative result against this criteria

This option sees the light vehicle rate increase by almost 28 percent. This is a significant cost increase for owners of light vehicles, some of whom will be low income households.

Option two – align rates with cost allocation model rates within a 0 – 7 percent band

Rating against certainty and predictability criterion – delivers well against this criteria

Under this option, a range of different vehicle classes, including light diesel vehicles, will face an increase in their road user charges rate. A 7 percent cap is well within the range of recent increases to road user charges, so is unlikely to come as a surprise to most vehicle owners, so will provide certainty and predictability to vehicle owners about cost.

Rating against equity between vehicle types criterion – delivers against this criteria

Under this option, some progress is made towards aligning road user charges rates to the rates indicated by the cost allocation model. However, restricting movements to the 0 – 7 percent band would mean some rates will remain above the cost allocation model rates, and some below. Further, the need to ensure sufficient revenue is delivered means that some rates which are already in excess of the cost allocation model rates need to be increased further. This means that while equity between vehicle types is generally improved, inequities remain. This option delivers some equity between different vehicle types.

Rating against social equity criterion – achieves a negative result against this criteria

This option sees light vehicle road user charges increasing by 7 percent. While this is less than some of the other options, it is a significant increase and well in excess of inflation, and for lower-income households would achieve a negative result.

Option three – align rates with cost allocation model rates within a 0 – 10 percent band

Rating against certainty and predictability criterion – delivers against this criteria

Under this option, a range of different vehicle classes, including light diesel vehicles, will face an increase in their road user charges rate. A 10 percent cap is the maximum level of increase to road user charges in recent years, so should be within the bounds of expectation of most vehicle owners, although it is a significant increase and is well above inflation.

Rating against equity between vehicle types criterion – delivers well against this criteria

Under this option, some progress is made towards aligning road user charges rates to the rates indicated by the cost allocation model. However, restricting movements to the 0 – 10 percent band means some rates will remain above the cost allocation model rates, and some below. Further, the need to ensure sufficient revenue is delivered means that some rates which are already in excess of the cost allocation model rates need to be increased further. However, this would be a smaller number of instances than for the 0 – 7 percent band, as shown in the examples. This means that while equity between vehicle types is generally improved, some inequities remain – but again, a smaller number than the 0 – 7 percent band.

Rating against social equity criterion – achieves a significantly negative result against this criteria

This option sees light vehicle road user charges increasing by 10 percent. This is a significant increase in the cost of running a vehicle for low income households.

Option four – increase all road user charges rates by 5.3 percent

Rating against certainty and predictability criterion – delivers very well against this criteria

Historically road user charges rate increases have been limited to a maximum increase of 10 percent per annum. An increase of 5.3 percent for each road user charges rate is below the 10 percent limit and is consistent with the increase in petrol excise duty, so provides a high level of stability and certainty to vehicle owners about cost.

Rating against equity between vehicle types criterion – achieves a negative result against this criteria

This option would not make significant progress to address the mismatches (or inequity) in the current system between legislated rates and cost allocation model rates, and in some cases those mismatches will become greater. Many rates which are below the rates in the cost allocation model would be increased by less than the amount needed to align them with the cost allocation model rates, and all rates which are already above the cost allocation model would be increased, which would achieve a negative result.

Rating against social equity criterion – achieves a 0.5 negative result against this criteria

This option sees a light vehicle road user charges increasing by 5.3 percent. This increases the cost of running a vehicle for households, including low-income households. It is the same cost increase as that faced, on average, by households that use petrol vehicles and will face a 5.3 percent increase in fuel excise duty.

Section 5: Conclusions

5.1 What option, or combination of options is likely to best address the problem, meet the policy objectives and deliver the highest net benefits?

Option two, under which rates are moved towards the Ministry's cost allocation model rates but within a 0 – 7 percent band is the preferred approach. However, option three is a close second.

This option would result in increasing rates in a targeted way to gradually move all rates closer to the rates indicated by the Ministry of Transport's cost allocation model.

This option has the highest aggregate score against the criteria – it scores well against certainty and predictability, would improve equity between different vehicle types, but balances that with a reasonable social equity outcome, by limiting the impact of the increase on households.

5.2 Summary table of costs and benefits of the preferred approach

Affected parties	Comment: <i>nature of cost or benefit (eg, ongoing, one-off), evidence and assumption (eg, compliance rates), risks</i>	Impact <i>\$m present value where appropriate, for monetised impacts; high, medium or low for non-monetised impacts</i>	Evidence certainty <i>(High, medium or low)</i>
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Additional costs of proposed approach compared to taking no action

Regulated parties	Road users will pay the prescribed amounts of additional road user charges on an ongoing basis.	\$99 – 101m for 2020-21. This may change in subsequent years as the composition of the fleet, and if the distance travelled changes, however, this will be actively monitored.	High
Regulators	NZTA will incur administrative costs through updating its systems to reflect the new rates.	Unknown but expected to be minor	High
Wider government	Those government agencies which operate diesel vehicles will see some additional costs, and agencies which purchase goods or services delivered by road transport may also see cost increases.	Unknown but expected to be minor	Low

Other parties			
Total Monetised Cost		\$99m	
Non-monetised costs	The expected reduction in travel demand as a result of the increased cost of travel has not been monetised.	<i>(High, medium or low)</i> Low	

Expected benefits of proposed approach compared to taking no action

Regulated parties	Along with other transport system users, road users will benefit from the transport system improvements funded by the additional expenditure.	The additional expenditure is \$99m - \$101m, but the benefit of this expenditure will not necessarily all accrue to regulated parties. However, the Benefit Cost Ratio is expected to be on average greater than 1, so the total benefit should exceed \$101m.	Medium
Regulators	None		
Wider government	None		
Other parties	As noted above, all users of the transport system will benefit.		Medium
Total Monetised Benefit		Unable to be determined but expected to be greater than \$101m.	Medium
Non-monetised benefits	The reduction in vehicle kilometres travelled will deliver some non-monetised benefits, including reductions in congestion and emissions and improvements in safety.	<i>(High, medium or low)</i> Low	

Further explanation of costs and benefits

There are around 4.3 million vehicles in New Zealand. This is made up of around 3.1 million light petrol vehicles, around 750,000 light diesel vehicles and 146,000 heavy diesel vehicles. Increases in the rates of road user charges will impact both light diesel and heavy diesel

vehicles. Households and businesses own light diesel vehicles. We estimate based on the Household Travel Survey that around 16 percent of households own a diesel vehicle and are therefore directly subject to road user charges.

The additional direct costs of the Government Policy Statement on Land Transport 2018 are approximately \$5 billion to road users over ten years through higher rates of petrol excise duty and road user charges. The direct costs will be borne by road users, which will be both businesses and households. In regard to businesses, it is assumed that businesses generally will pass the increased transport costs to consumers through higher prices for goods and services. However, there may be situations where this will not occur.

Road users that are subject to the road user charges will face increased costs. The cost of a light vehicle distance licence (per 1,000km) will go from \$72 to \$77 (based on option two, the Ministry of Transport's preferred option).

It is not possible to complete a detailed cost-benefit analysis at this time because not all of the individual projects that will be funded by the revenue have a completed business case. Project business cases will be developed as part of the delivery of the National Land Transport Programme.

Analysis done by the Ministry of Transport on indicative scores shows a wide range of BCRs across different activity classes, with the lower end of the range sitting around two. This gives us a level of confidence that this proposal will have a positive BCR.

5.3 What other impacts is this approach likely to have?

Social impact assessment

The Ministry of Transport has done some analysis on the cost impacts of increasing the rates of road user charges on households, for each option. Households which own diesel vehicles will face a direct cost increase as a result of an increase in road user charges. We have calculated the likelihood of a household owning a light diesel vehicle based on Household Travel Survey data from 2015 to 2018. There is considerable variation between income bands and ethnicity – around 5 percent of low – medium income non-Maori / Pasifika households are estimated to own diesel vehicles, whereas 17 percent of high-income Maori / Pasifika households are estimated to own diesel vehicles. For those households which own one diesel vehicle, the average increase in road user charges is expected to be:⁹

- Option one – the average increase in road user charges would be \$240
- Option two – the average increase in road user charges would be \$60
- Option three – the average increase in road user charges would be \$84
- Option four – the average increase in road user charges would be \$48.

Using travel data and income bands, assuming that household income is at the midpoint, our analysis suggests a notable increase in the amount lower-income households spend on road user charges as proportion of income. However, there is an insignificant increase (as

⁹ These calculations assume an annual distance travelled of 12,000 kilometres per year. This is a mid-point between the average light diesel distance of 14,000 kilometres, assumed to be skewed by commercial vehicles, and the average petrol distance of 10,000 kilometres, which is on average older than the light diesel fleet. Older petrol vehicles cover much lower annual distances than newer petrol vehicles.

a proportion of income) amongst the highest-income households (e.g. above \$100,000 per year). For example, assuming each household owns one diesel vehicle which travels 12,000 kilometres per year:

- Option one – for a household with an income between \$20,001 - \$30,000, road user charges are currently 3.5 percent of income and would become 4.4 percent of income, while for a household with an income between \$100,001 - \$150,000, they currently comprise 0.7 percent of household income, but would become about 0.9 percent.
- Option two – for a household with an income between \$20,001 - \$30,000, road user charges are currently 3.5 percent of income and would become 3.7 percent, whilst for a household with an income between \$100,001 - \$150,000 they are currently 0.7 percent and would become about 0.74 percent of household income.
- Option three – for a household with an income between \$20,001 - \$30,000, road user charges are currently 3.5 percent of income and would become 3.8 percent, whilst for a household with an income between \$100,001 - \$150,000 they are currently 0.7 percent and would become about 0.76 percent of household income.
- Option four – for a household with an income between \$20,001 - \$30,000, road user charges are currently 3.5 percent of income and would become 3.6 percent, whilst for a household with an income between \$100,001 - \$150,000 they are currently 0.7 percent and would become about 0.73 percent of household income.

Taxes that increase the cost of using vehicles may be regressive as the cost of non-discretionary travel will increase (for example, travel to work by car where there is no viable alternative).

Furthermore, lower-income households tend to live further away from city centres where there are less viable transport options (than for households closer to the city centre). This makes lower-income households more likely to be more dependent on their private vehicles to get around. The increases could be difficult for low-income households - some of which may be already living beyond their means. Statistics New Zealand National Accounts: Distribution of Household Income, Consumption and Saving 2015-1610 release found that the lower three Equalised Disposable Income Quintile groups had negative gross savings when comparing gross disposable income to final consumption expenditure.

Many of the investments resulting from the priorities signalled in the Government Policy Statement on Land Transport 2018 are likely to benefit low-income households by providing greater transport choice that is more accessible and affordable and will reduce the reliance on private motor vehicles.

To assist households with the cost of living the Government introduced a families package which targets assistance to low and middle-income households. This kind of general approach to assist lower-income households is generally preferable as it is very difficult to implement specific subsidies or concessions for vehicle running costs.

¹⁰ Source: Statistics New Zealand. National accounts: Distribution of household income, consumption, and saving. 27 August 2018. <https://www.stats.govt.nz/experimental/national-accounts-distribution-of-household-income-consumption-and-saving>

Impacts on Maori

Ministry of Transport estimates show that, on average, Maori and Pasifika households are more likely to own a diesel vehicle than non-Maori / Pasifika households, at all income levels (diesel vehicle ownership averages 7 percent across all income levels for non-Maori / Pasifika households, compared with 8 percent for Maori and Pasifika households). This means the social equity considerations may be even more important for Maori and Pasifika households.

Further information on the potential impact of road user charges on inflation and indirect costs

Increases to road user charges rates will have a minimal direct impact on inflation and the Consumer Price Index (CPI).

There may be flow-on effects to prices and inflation as businesses pass on the increased costs of transport to final consumers through increased prices of goods and services.

Distributional impacts

The Ministry of Transport has assumed that any workforce participation impacts will be negligible, as the regressive nature of road user charges will be mitigated by other non-transport related Government interventions introduced in 2018 (for example, increases in the minimum wage and the Families Package).

Section 6: Implementation and operation

6.1 How will the new arrangements work in practice?

Primary legislation, the Road User Charges Act 2012, provides that rates of road user charges are set by Order in Council. Current rates are set in the Road User Charges (Rates) Regulations 2015. In order to give road users sufficient notice of the change, 42 days is required between the gazetting of new rates and when the new rates come into effect. The new rates will come into effect on 1 July 2020.

NZTA is responsible for administering and collecting road user charges and will need to adjust the rates in its systems to reflect the amended rates. NZTA has been involved in developing this proposal and understands the timeline well. It has successfully communicated similar changes over a number of years, including in 2018 and 2019.

The heavy transport sector anticipates and expects that the rates of road user charges will change in mid-2020 as this was announced when the Government Policy Statement on Land Transport 2018 was released. Both the Ministry of Transport and NZTA will prepare material to communicate the specific rate changes, for example, through updating information on websites.

6.2 What are the implementation risks?

Adjustments to the rates of road user charges, at least over the last twenty years, have become routine. As mentioned previously, to implement the new rates, regulations need to be changed. The existing regulations, the Road User Charges (Rates) Regulations 2015 can be amended by Order in Council by the Governor-General, on the recommendation of Cabinet. At a technical level, the legislative change is a relatively straightforward process.

At an operational level, to implement the regulation changes, NZTA will make updates to ensure its systems reflects the rates that are legislated and that the appropriate amount is charged to those who purchase road user charge licences from 1 July 2020. As noted in the previous section, this has been done many times previously, including in 2018 and 2019. These changes were implemented, and the revenue raised, without any significant concerns or issues.

We do not foresee any significant implementation risks. Road users will face increased rates. Some light road users may pre-purchase road user charge distance licenses ahead of the change to avoid the increase. We do not consider this to be a significant issue. Furthermore, those who operate heavy vehicles (who face the highest road user charges) are limited in their ability to do this as road user charges distance license purchased before an increase become invalid one month after the increase.

Section 7: Monitoring, evaluation and review

7.1 How will the impact of the new arrangements be monitored?

Revenue is monitored by the Ministry of Transport. On-going monitoring is an essential part of our pay-go system: revenue is needed to invest in the land transport system. In addition to monitoring revenue received, the Ministry of Transport forecasts revenue to pre-empt any potential changes in revenue using the latest economic and actual revenue data available. These forecasts are scrutinised by staff from across the Ministry of Transport, but also from NZTA, and the Treasury, to determine whether revenue forecasts are accurate. Both revenue forecast and expenditure information is routinely reported to the Minister of Transport and copied to the Minister of Finance.

More broadly, in terms of measuring whether the investment is having its intended impacts, the Ministry of Transport has an evaluation programme that seeks to gauge the success of policy initiatives. As part of this programme, the Ministry of Transport is releasing an annual report to monitor progress towards the results in the Government Policy Statement on Land Transport 2018.

7.2 When and how will the new arrangements be reviewed?

The Ministry of Transport, along with NZTA, regularly meets with key stakeholders, including representatives of road transport operators who are required to pay road user charges. If they identify issues with the new rates, consideration will be given to ways to address the concerns and what, if any, changes to regulations will be required. In the past, we have found if there is an issue, the sector brings it to our attention swiftly.

The Government reviews and sets out land transport priorities on roughly a three-yearly cycle. As part of this, the Ministry of Transport undertakes substantial work which culminates in the issue of a new Government Policy Statement on Land Transport. There is an opportunity for stakeholders to partake in this process. A key part of the process is considering revenue settings against investment priorities.

Vehicle. Type			Current Rate		CAM rate	Option One – Unrestricted alignment with CAM plus 11.8%				Option 2 – Alignment to CAM with 7% cap				Option 3 – alignment to CAM with 10% cap				Option 4 - increase all 5.3%			
#	Description	Vehicle Weight	Current Rate	% of revenue	CAM Rate	Rate	Change	Recovery	Recovery (%)	Rate	Change	Recovery	Recovery (%)	Rate	Change	Recovery	Recovery (%)	Rate	Change	Recovery	Recovery (%)
H38	Towing vehicle that is part of an overweight combination vehicle consisting of a type 19 RUC vehicle towing a type 951 RUC vehicle with a permit weight of more than 60,000kg but not more than 63,000kg.	All RUC weights	\$858.00	0%	\$666.93	\$740.00	-9%	\$73.07	111%	\$858.00	0.0%	\$191.07	129%	\$858.00	0.0%	\$191.07	129%	\$903.00	5.2%	\$236.07	135%
H77	Towing vehicle that is part of an overweight combination vehicle consisting of a type 14 RUC vehicle towing a type 33 RUC vehicle with a permit weight of more than 44,000kg but not more than 48,000kg.	All RUC weights	\$852.00	0%	\$715.92	\$794.00	-1%	\$78.08	111%	\$899.00	7.0%	\$183.08	126%	\$872.00	3.0%	\$156.08	122%	\$897.00	5.3%	\$181.08	125%
H01	Overweight powered passenger service vehicle with 3 axles, with a permit weight of not more than 25 tonnes.	All RUC weights	\$514.00	0%	\$472.14	\$524.00	2%	\$51.86	111%	\$550.00	7.0%	\$77.86	116%	\$565.00	9.9%	\$92.86	120%	\$541.00	5.3%	\$68.86	115%
H13	Towing vehicle that is part of an overweight combination vehicle consisting of a type 14 RUC vehicle towing a type 939 RUC vehicle and a type 33 RUC vehicle with a permit weight of more than 60,001kg but not more than 63,000kg.	All RUC weights	\$857.00	0%	\$685.63	\$760.00	-10%	\$74.37	111%	\$886.00	4.1%	\$200.37	129%	\$863.00	0.0%	\$177.37	126%	\$902.00	5.4%	\$216.37	132%
H40			\$858.00	0%	\$712.43	\$789.00	-6%	\$76.57	111%	\$905.00	7.0%	\$192.57	127%	\$870.00	1.0%	\$157.57	122%	\$903.00	5.3%	\$190.57	127%
H63			\$970.00	0%	\$806.84	\$895.00	-3%	\$88.16	111%	\$1,026.00	7.0%	\$219.16	127%	\$986.00	2.0%	\$179.16	122%	\$1021.00	5.3%	\$214.16	127%
H78			\$904.00	0%	\$500.04	\$450.00	-60%	-\$50.04	90%	\$906.00	0.0%	\$405.96	181%	\$904.00	0.0%	\$403.96	181%	\$952.00	5.3%	\$451.96	190%
H79			\$1,119.00	0%	\$553.64	\$504.00	-63%	-\$49.64	91%	\$1,121.00	0.0%	\$567.36	202%	\$1,119.00	0.0%	\$565.36	202%	\$1178.00	5.3%	\$624.36	213%