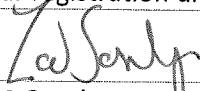


Request for Costing an Election Commitment

Name of election commitment:	
Person and party requesting costing:	Zed Seselja MLA, Leader of the Opposition
Date of public release of election commitment, including source:	3 September 2012, media release 'Zed announces rego cuts'
Summary of election commitment:	Abolish the under 12 month registration penalty
Intention of election commitment:	Abolish the \$25 and \$10 concessional penalties for car registration under 12 months
Signature of person requesting costing:	
Date of request for costing:	10 October 2012

What are the key assumptions that have been made in the election commitment?

- In 2011-12 (July 2011 to May 2012) there was 198,719 \$25 penalties paid. That is 148,513 quarterly transactions and 50,206 half yearly transactions (QoN 2418)
- In 2011-12 (July 2011 to May 2012) there was 17,695 \$10 penalties paid. That is 13,544 quarterly transactions and 4,151 half yearly transactions (QoN 2418)
- As the above were for only 11 months, the average monthly penalty for each category was calculated and added to the total to account for the full 12 months.
- This is an additional 18,065 \$25 penalties (13,501 half yearly and 4,564 quarterly)
- This is an additional 1,086 \$10 penalties (1,231 quarterly and 377 half yearly)
- The 2012-13 to 2015-16 years have been indexed in accordance with the budget papers for 'motor vehicle registration'
- See attached documents for further information

Where relevant, is the funding for the policy to be demand driven or a capped amount?
Demand driven

Will third parties, for instance the Commonwealth or other State/Territories, have a role in funding or delivering the election commitment?
n/a

Will funding/the cost require indexation?
The revenue foregone is indexed in line with the budget estimates for motor vehicle registration. That is, the 2011-12 revenue is indexed at 4.7%, 2012-13 by 5.2%, 2013-14 by 5.2% and 2014-15 by 4%

What are the estimated revenue and operating costs each year (if available) and what are the capital requirements for this election commitment and estimated costs each year (if available)?

	2012-13	2013-14	2014-15	2015-16	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue ^(a)	-2,940	-6,185	-6,505	-6,765	-22,395
Expenses ^(a)					
Capital					

(a) A negative number indicates a decrease in revenue or an increase in expenses.

What is the likely take up?
100%

Any other assumptions?

No.
<i>Administration of the election commitment</i>
How will the election commitment be administered? In line with the existing administration of registration
Who will administer the election commitment? The Office of Regulatory Services
Has an allowance been made for expenses necessary to support the implementation of this election commitment? The is considered business as usual
What is the intended implementation date of the election commitment? 1 January 2013
Are there transitional arrangements associated with election commitment implementation? n/a
Are there any other assumptions that need to be considered? n/a
When is the election commitment expected to be fully operational? 1 January 2013
Will the election commitment cease and if so when? This is commitment is ongoing

Abolishing Penalty Fees for Car Registration Under 12 Months – Costing Justification

Revenue Foregone

The basis of this costing was from information received in QoN 2418 and the 2012-13 Budget Paper 3.

QoN 2418 states the number of registrations in 2011-12 that were paid quarterly and half-yearly. In addition, the QoN provides the breakdown between whether registrations were charged the full fee of \$25 or the discount fee of \$10 (Centrelink and Department of Veterans Affairs concession holders).

In 2011-12 (1 July to 1 June)

\$25 fee:

148,513 (quarterly transactions)

50,206 (half yearly transactions)

$198,719 \times \$25 = \$4,967,975$

\$10 fee:

13,544 (quarterly transactions)

4,151 (half yearly transactions)

$17,695 \times \$10 = \$176,950$

Revenue = \$5,144,925

As the revenue is calculated on a 11 month basis, an average transaction per month has been calculated and then added to the above revenue to account for the month of June 2012.

\$25 fee:

$148,513 \text{ (quarterly transactions)} / 11 = 13,501$

$50,206 \text{ (half yearly transactions)} / 11 = 4,564$

$18,065 \times \$25 = \$451,625$

\$10 fee:

$13,544 \text{ (quarterly transactions)} / 11 = 1,231$

$4,151 \text{ (half yearly transactions)} / 11 = 377$

$1,608 \times \$10 = \$16,080$

Revenue = \$467,705

Total Revenue = \$5,612,630

Figures have been calculated by indexing the forward estimates consistent with the 2012-13 Budget Paper 3, page 76.

That is, the 2011-12 revenue is indexed by 4.7%, the 2012-13 revenue by 5.2%, the 2013-14 revenue by 5.2% and the 2014-15 revenue by 4%.

Motor Vehicle Registration Penalties
See attached costing justification

	2011-12	2012-13	2013-14	2014-15	2015-16	Total
Revenue	5,612,630	5,876,424	6,181,998	6,503,462	6,763,600	
For Costing	2,940	2,940	6,185	6,505	6,765	22,395



Simon Corbell MLA

ATTORNEY-GENERAL
MINISTER FOR POLICE AND EMERGENCY SERVICES
MINISTER FOR THE ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

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MEMBER FOR MOLONGLO

Answer to Question on Notice No 2418

Mr Alistair Coe MLA asked the Attorney-General, upon notice, on 7 June 2012:

- (1) What was the number of cars in 2011-12, as at 1 June, that were registered (a) quarterly and (b) half-yearly.
- (2) How many of the cars registered (a) quarterly and (b) half-yearly paid the surcharge of (i) \$25 and (ii) \$10.

Mr Corbell MLA – the answer to the Member's question is as follows:

- (1) The number of vehicles that were registered for a period of less than 12 months in the period 1 July 2011 to 1 June 2012 are:
 - (a) quarterly = 163,593
 - (b) half-yearly = 54,935
- (2) During the period 1 July 2011 and 1 June 2012 the following number of vehicles paid a registration surcharge:
 - (a) Quarterly
 - (i) \$25 = 148,513
 - (ii) \$10 = 13,544
 - (b) half-yearly
 - (i) \$25 = 50,206
 - (ii) \$10 = 4,151

Approved for circulation to the Member

Simon Corbell MLA
Attorney-General

5.7.12

Date:.....

**Table 5.1.3
Taxation**

2011-12 Budget \$'000	2011-12 Est. Outcome \$'000	2012-13 Budget \$'000	Var %	2013-14 Estimate \$'000	2014-15 Estimate \$'000	2015-16 Estimate \$'000
General Tax						
311,458	311,348	324,524	4	345,348	367,517	391,135
1,798	308	315	2	323	331	339
210,641	209,298	297,051	42	325,753	361,344	398,818
115,046	114,996	66,488	-42	70,045	73,696	77,441
638,943	635,950	688,378	8	741,469	802,888	867,733
Duties						
294,003	267,878	272,609	2	284,228	291,250	296,259
44,288	44,921	37,158	-17	28,994	20,110	10,461
2,323	2,086	1,726	-17	1,346	934	486
31,360	29,926	31,152	4	33,146	35,268	37,525
371,974	344,811	342,645	-1	347,714	347,562	344,731
Gambling Taxes						
1,556	1,545	1,548	..	1,586	1,626	1,667
34,159	35,000	34,925	..	35,799	36,694	37,611
2,118	2,118	2,166	2	2,220	2,275	2,332
15,243	13,210	12,761	-3	13,080	13,407	13,742
53,076	51,873	51,400	-1	52,685	54,002	55,352
Other Taxes						
95,636	94,186	98,659	5	103,825	109,263	113,613
14,644	15,600	16,380	5	17,199	18,059	18,962
22,382	22,382	23,484	5	24,641	26,365	28,211
19,494	19,494	23,429	20	24,402	25,418	26,475
28,354	28,354	29,526	4	30,817	32,144	33,509
1,993	1,993	1,971	-1	1,902	1,835	1,808
2,120	3,236	2,120	-34	2,120	2,120	2,120
184,623	185,245	195,569	6	204,906	215,204	224,698
1,248,616	1,217,879	1,277,992	5	1,346,774	1,419,656	1,492,514

Payroll Tax

The payroll tax rate in the ACT remains unchanged at 6.85 per cent on wages and other taxable payments made by employers, where the Australia wide wages exceed the ACT threshold of \$1.5 million per annum. From 1 July 2012, the threshold will be increased to \$1.75 million per annum as a result of the ACT Government's Taxation Reforms (for more information regarding the Taxation Reforms see Chapter 3).

The 2011-12 estimated outcome is \$311.3 million and the forecast for 2012-13 is estimated at \$324.5 million. The expected increase in 2012-13 and beyond reflects forecast growth in employment and wages in relevant sectors of the ACT economy.