

DIVISION 37: TREASURY AND FINANCE —

[Supplementary Information No B21.]

Question: Ms R. Saffioti requested a breakdown of the estimated total cost of the Northbridge Link project and the sinking of the new Wellington Street bus station.

Answer: Estimated total cost of Northbridge Link project:

- Rail undergrounding: \$263 million
- Sinking of the Wellington Street bus station: \$204 million

It should be noted that these are preliminary estimates that are likely to change as detailed planning is carried out.

[Supplementary Information No B22.]

Question: Ms R. Saffioti requested household models for the following: the estimated impact on a standard representative model ex-electricity, the estimated impact on a standard representative pensioner household; and the estimated impact on a standard representative pensioner household ex-electricity.

Answer: Please see following Tables 1-3.

HOUSEHOLD MODEL – TARIFFS, FEES AND CHARGES

Table 1

**ESTIMATED IMPACT ON STANDARD 'REPRESENTATIVE
HOUSEHOLD ASSUMING NO ELECTRICITY INCREASES**

	2008-09 \$ level	% change	\$ change	2009-10 \$ level
Motor Vehicles				
Motor vehicle licence fee ^(a)	\$202.60	3.81%	\$7.72	\$210.32
Recording fee	\$12.15	7.41%	\$0.90	\$13.05
CTP insurance	\$235.59	4.00%	\$9.42	\$245.01
Driver's licence ^(b)	\$73.20	0.00%	\$0.00	\$73.20
<i>Total</i>	<i>\$523.54</i>	<i>3.45%</i>	<i>\$18.04</i>	<i>\$541.58</i>
Utility Charges				
Electricity ^(c)	\$940.08	0.00%	\$0.00	\$940.08
Water ^(d)	\$401.15	10.01%	\$40.15	\$441.30
Sewerage ^(d)	\$509.60	4.20%	\$21.40	\$531.00
Drainage ^(d)	\$63.10	6.66%	\$4.20	\$67.30
<i>Total</i>	<i>\$1,913.93</i>	<i>3.44%</i>	<i>\$65.75</i>	<i>\$1,979.68</i>
Public Transport				
Student fares	\$260.00	0.00%	\$0.00	\$260.00
Full fares (2 zones)	\$682.50	2.86%	\$19.50	\$702.00
<i>Total</i>	<i>\$942.50</i>	<i>2.07%</i>	<i>\$19.50</i>	<i>\$962.00</i>
Emergency Services Levy ^(e)	<i>\$144.00</i>	<i>4.86%</i>	<i>\$7.00</i>	<i>\$151.00</i>
Stamp Duty				
Stamp duty on general insurance	\$115.19	0.00%	\$0.00	\$115.19
Stamp duty on CTP insurance	\$24.50	0.00%	\$0.00	\$24.50
<i>Total</i>	<i>\$139.69</i>	<i>0.00%</i>	<i>\$0.00</i>	<i>\$139.69</i>
Total Expenditure (Nominal)	\$3,663.66	3.01%	\$110.30	\$3,773.96

(a) The effective increase in motor vehicle licence expenditure for the representative household is 3.81% taking into account the \$63 discount available to family vehicles that has also been indexed.

(b) Drivers' licence expenditure is for two drivers.

(c) Electricity remains at 2008-09 levels.

(d) Economic Regulatory Authority approved increases.

(e) The actual impact of the ESL on household charges to be confirmed by FESA in June after property after property data is finalised.

Note: Columns may not add up due to rounding.

On the basis of the assumptions outlined in Attachment 1 and the 2009-10 levels of State government tariffs, fees and charges, the total expenditure of the 'representative household' on this basket of State government goods and services, excluding electricity increases, is \$3,773.96. This represents an increase of \$110.30 (or 3.01%) on 2008-09 expenditure levels.

Table 2

ESTIMATED IMPACT ON STANDARD 'REPRESENTATIVE PENSIONER HOUSEHOLD'

	2008-09 \$ level	% change	\$ change	2009-10 \$ level
Motor Vehicles				
Motor vehicle licence fee ^(a)	\$101.30	3.81%	\$3.86	\$105.16
Recording fee	\$12.15	7.41%	\$0.90	\$13.05
CTP insurance	\$235.59	4.00%	\$9.42	\$245.01
Driver's licence ^(b)	\$23.20	0.00%	\$0.00	\$23.20
<i>Total</i>	<i>\$372.24</i>	<i>3.81%</i>	<i>\$14.18</i>	<i>\$386.42</i>
Utility Charges				
Electricity ^(c)	\$867.71	23.28%	\$201.97	\$1,069.68
Water ^(d)	\$262.68	9.13%	\$23.98	\$286.65
Sewerage ^(e)	\$254.80	4.20%	\$10.70	\$265.50
Drainage ^(f)	\$31.55	6.66%	\$2.10	\$33.65
<i>Total</i>	<i>\$1,416.73</i>	<i>16.85%</i>	<i>\$238.75</i>	<i>\$1,655.48</i>
Public Transport				
Concession fare (1 zone)	\$351.00	0.00%	\$0.00	\$351.00
Concession fare (2 zone) ^(g)	\$273.00	0.00%	\$0.00	\$273.00
<i>Total</i>	<i>\$624.00</i>	<i>0.00%</i>	<i>\$0.00</i>	<i>\$624.00</i>
Emergency Services Levy ^(h)	<i>\$72.00</i>	<i>4.86%</i>	<i>\$3.50</i>	<i>\$75.50</i>
Stamp Duty				
Stamp duty on general insurance	\$115.19	0.00%	\$0.00	\$115.19
Stamp duty on CTP insurance	\$24.50	0.00%	\$0.00	\$24.50
<i>Total</i>	<i>\$139.69</i>	<i>0.00%</i>	<i>\$0.00</i>	<i>\$139.69</i>
Total Pensioner Expenditure (Nominal)	\$2,624.66	9.77%	\$256.43	\$2,881.09
Compared to Standard Expenditure	71.19%			71.64%

(a) Pensioners and seniors 50% rebate on motor vehicle licence fee.

(b) Pensioners 100% rebate, seniors 50% rebate on driver's licence fee.

(c) 100% rebate on fixed daily supply charge for electricity.

(d) 50% rebate on first 150kl water consumption charges per year if owning or renting; in addition 50% rebate on annual supply charge.

(e) 50% rebate on annual sewerage charges.

(f) 50% rebate on annual drainage charges.

(g) Assumed all pensioner travel takes place outside the allocated free public transport periods.

(h) 50% rebate on Emergency Services Levy.

Note: Columns may not add up due to rounding.

On the basis of the assumptions outlined in Attachment 1 and the 2009-10 levels of State government tariffs, fees and charges, the total expenditure of the 'representative pensioner household' on this basket of State government goods and services, before the impact of free off-peak public transport for seniors is taken into account, is \$2,881.09. This represents an increase of \$256.43 (or 9.77%) on 2008-09 expenditure levels.

Table 3

**ESTIMATED IMPACT ON STANDARD 'REPRESENTATIVE PENSIONER
HOUSEHOLD' ASSUMING NO ELECTRICITY INCREASES**

	2008-09 \$ level	% change	\$ change	2009-10 \$ level
Motor Vehicles				
Motor vehicle licence fee ^(a)	\$101.30	3.81%	\$3.86	\$105.16
Recording fee	\$12.15	7.41%	\$0.90	\$13.05
CTP insurance	\$235.59	4.00%	\$9.42	\$245.01
Driver's licence ^(b)	\$23.20	0.00%	\$0.00	\$23.20
<i>Total</i>	<i>\$372.24</i>	<i>3.81%</i>	<i>\$14.18</i>	<i>\$386.42</i>
Utility Charges				
Electricity ^{(c)(d)}	\$846.75	0.00%	\$0.00	\$846.75
Water ^(e)	\$262.68	9.13%	\$23.98	\$286.65
Sewerage ^(f)	\$254.80	4.20%	\$10.70	\$265.50
Drainage ^(g)	\$31.55	6.66%	\$2.10	\$33.65
<i>Total</i>	<i>\$1,395.78</i>	<i>2.63%</i>	<i>\$36.78</i>	<i>\$1,432.55</i>
Public Transport				
Concession fare (1 zone)	\$351.00	0.00%	\$0.00	\$351.00
Concession fare (2 zone) ^(h)	\$273.00	0.00%	\$0.00	\$273.00
<i>Total</i>	<i>\$624.00</i>	<i>0.00%</i>	<i>\$0.00</i>	<i>\$624.00</i>
Emergency Services Levy ⁽ⁱ⁾	<i>\$72.00</i>	<i>4.86%</i>	<i>\$3.50</i>	<i>\$75.50</i>
Stamp Duty				
Stamp duty on general insurance	\$115.19	0.00%	\$0.00	\$115.19
Stamp duty on CTP insurance	\$24.50	0.00%	\$0.00	\$24.50
<i>Total</i>	<i>\$139.69</i>	<i>0.00%</i>	<i>\$0.00</i>	<i>\$139.69</i>
Total Pensioner Expenditure (Nominal)	\$2,603.71	2.09%	\$54.46	\$2,658.17
Compared to Standard Expenditure	71.07%			70.43%

(a) Pensioners and seniors 50% rebate on motor vehicle licence fee.

(b) Pensioners 100% rebate, seniors 50% rebate on driver's licence fee.

(c) 100% rebate on fixed daily supply charge for electricity.

(d) Electricity remains at 2008-09 levels.

(e) 50% rebate on first 150kl water consumption charges per year if owning or renting; in addition 50% rebate on annual supply charge.

(f) 50% rebate on annual sewerage charges.

(g) 50% rebate on annual drainage charges.

(h) Assumed all pensioner travel takes place outside the allocated free public transport periods.

(i) 50% rebate on Emergency Services Levy.

Note: Columns may not add up due to rounding.

On the basis of the assumptions outlined in Attachment 1 and the 2009-10 levels of State government tariffs, fees and charges, the total expenditure of the 'representative pensioner household' on this basket of State government goods and services, excluding electricity increases and before the impact of free off-peak public transport for seniors is taken into account, is \$2,658.17. This represents an increase of \$54.46 (or 2.09%) on 2008-09 expenditure levels.

ATTACHMENT 1

ASSUMPTIONS

The 'household' model is based on a single income (full-time work), adult and two child household. The characteristics of the 'representative household' are updated annually and it is assumed that the household:

1. consumes:
 - 6,074 kilowatt hours of electricity per annum, based on the 2007-08 average level of consumption for a household provided by Synergy; and
 - 300 kilolitres of water per annum, based on the current average level of water usage for a residential customer provided by the Water Corporation;
2. purchases five standard 2-zone Transperth fares and ten Transperth school fares each week. Transperth fares are purchased using the lowest cost means available (i.e. SmartRider Autoload);
3. owns one car, an Australian sedan (tare weight of 1,568 kilograms – relevant for the purpose of determining the appropriate level of motor vehicle licence fee);
4. has two drivers in the household;
5. pays average home and contents and motor vehicle insurance, based on information from the insurance industry (for the purposes of calculating stamp duty payable on insurance policies); and
6. owns and occupies a property that has an average gross rental value (for sewerage and emergency service levy rating purposes).

The reference rate of inflation is used for the annual budget review of tariffs, fees and charges, and is the latest available actual Consumer Price Index (CPI) rate for Perth. This is calculated as the annual average growth rate for the Perth CPI up to the most recent preceding September quarter (i.e. September 2007 to September 2008), as measured by the Australian Bureau of Statistics. For the 2009-10 Budget the reference rate of inflation is 4.2%.