

12. TRANSPORT AND COMMUNICATION

NATURE OF OUTLAYS

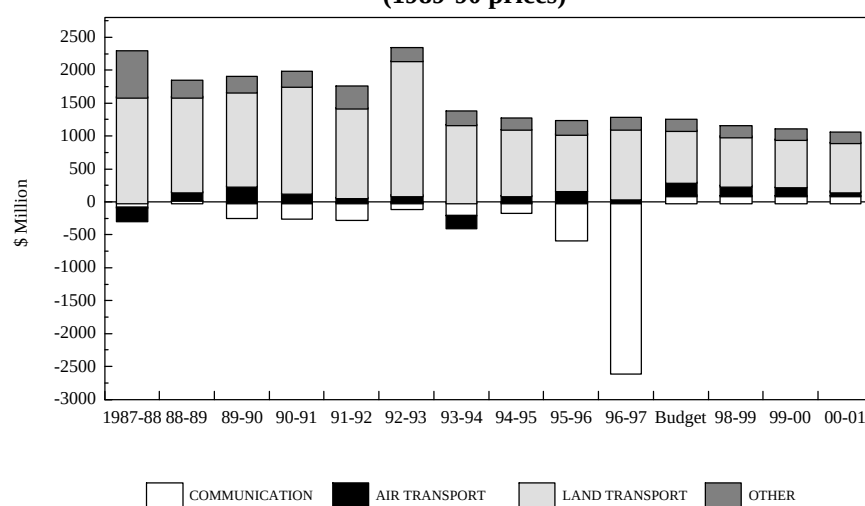
Transport and Communication outlays support the infrastructure and regulatory framework of Australia's transport and communications sectors. Outlays are provided in the form of grants, specific purpose payments, running costs, loans and advances and are offset by recoveries and repayments. The largest component of outlays relates to specific purpose payments to State governments for the construction and maintenance of the National Highway System and the construction of other roads of national importance.

Outlays relating to cultural activities and the administration of communications programmes of the Communications and the Arts portfolio are included in *8. Recreation and Culture*. Outlays relating to the regional development activities of the Transport and Regional Development portfolio are included in *7. Housing and Community Amenities*.

This function includes outlays of the following portfolios:

- Communications and the Arts; and
- Transport and Regional Development.

Chart 1. Overview of Commonwealth Outlays on Transport and Communication (1989-90 prices)



'Land Transport' includes outlays for Road and Rail Transport.

'Other' includes outlays for Sea Transport and Other Transport and Communications.

TRENDS IN TRANSPORT AND COMMUNICATION OUTLAYS

Apart from a significant increase in 1992-93, due primarily to *One Nation* initiatives (especially increases in road and rail funding), there has been a general downward trend in total outlays since 1987-88. The reconfiguration of equity injections to and repayment of advances by Telstra and capital repayments by Australia Post have generated significant offsets to outlays within this period. The decline in outlays since

1992-93 also arises from the completion of a number of major transport programmes and from the untying of \$350 million a year of specific purpose road grants from 1 January 1994 and the resulting transfer of funds to the function 14B. *General Purpose Inter-Government Transactions*. The large fall in outlays in 1996-97 reflects a payment from retained earnings by Telstra to the Commonwealth of \$3 billion by 30 June 1997. The payment will ensure that Telstra's capital structure is comparable with that of other international telecommunications companies. The payment to the Commonwealth will not initially impact on the underlying budget deficit but will lead to savings in public debt interest.

1997-98 AND FORWARD ESTIMATES

		1996-97 Estimate	1997-98 Budget	1998-99 Estimate	1999-00 Estimate	2000-01 Estimate
12.1	Communication	\$m -3013.5	120.9	119.4	119.9	120.7
	%		-104.0	-1.2	0.4	0.7
12.2	Air Transport	\$m 51.1	238.3	180.5	166.2	88.9
	%		na	-24.3	-7.9	-46.5
12.3	Road Transport	\$m 867.4	867.2	855.4	812.5	831.7
	%		-	-1.4	-5.0	2.4
12.4	Rail Transport	\$m 364.3	61.8	52.3	84.1	108.4
	%		-83.0	-15.4	60.8	28.9
12.5	Sea Transport	\$m 126.4	120.9	119.2	121.0	119.8
	%		-4.4	-1.4	1.5	-1.0
12.6	Other Transport and Communication	\$m 81.0	75.7	76.2	75.5	76.4
	%		-6.5	0.7	-0.9	1.2
TOTAL		\$m -1523.3	1484.8	1403.0	1379.2	1346.0
	%		-197.5	-5.5	-1.7	-2.4

12.1 COMMUNICATION

		1996-97 Estimate	1997-98 Budget	1998-99 Estimate	1999-00 Estimate	2000-01 Estimate
	Planning and Regulation	\$m 74.2	121.9	120.4	120.9	121.7
	%		64.3	-1.2	0.4	0.7
	Sale of Communication Rights	\$m -37.7	-1.0	-1.0	-1.0	-1.0
	%		-97.3	-	-	-
	Repayment of Advances	\$m -3050.0	-	-	-	-
	%		-100.0	na	na	na
TOTAL		\$m -3013.5	120.9	119.4	119.9	120.7
	%		-104.0	-1.2	0.4	0.7

The Communication subfunction includes the operations of the Australian Telecommunications Authority (AUSTEL) and the Spectrum Management Agency (SMA). Government business enterprises within this subfunction are Australia Post and Telstra.

The above estimates do not include outlays for broadcasting activities, other than for radiocommunications. Broadcasting activities are covered in 8. *Recreation and Culture*.

Planning and Regulation

Planning and regulation of the communications industry is currently undertaken by the Department of Communications and the Arts, AUSTEL and the SMA. AUSTEL is responsible for regulation of the telecommunications industry, in particular, the

development of commercially sustainable competition. The SMA's key functions are spectrum planning and administration.

As part of the reforms to telecommunications regulation and administration to be implemented from 1 July 1997, AUSTEL and SMA will be amalgamated into an Australian Communications Authority, apart from the competition regulation function of AUSTEL which will be transferred to the Australian Competition and Consumer Commission.

12.2 AIR TRANSPORT

		1996-97 Estimate	1997-98 Budget	1998-99 Estimate	1999-00 Estimate	2000-01 Estimate
Airport Administration and Aviation	\$m	61.9	158.0	100.0	79.9	1.8
Policy	%		155.3	-36.7	-20.1	-97.7
Air Safety, Search and Rescue	\$m	34.7	30.9	31.3	31.5	31.7
	%		-11.0	1.3	0.6	0.6
Avgas and Avtur Duty Paid	\$m	60.0	54.4	54.1	54.8	55.4
	%		-9.3	-0.6	1.3	1.1
Recoveries and Repayments	\$m	-105.5	-5.0	-5.0	-	-
	%		-95.3	-	-100.0	na
TOTAL	\$m	51.1	238.3	180.5	166.2	88.9
	%		na	-24.3	-7.9	-46.5

This subfunction includes the operations of the Civil Aviation Safety Authority (CASA). Government business enterprises within this subfunction include the Federal Airports Corporation and Airservices Australia (Airservices).

Airport Administration and Aviation Policy

This item includes the provision of aviation infrastructure, and the regulation and implementation of aviation environmental and security standards and airport building and planning standards. The major outlay within this item relates to the Sydney Airport Noise Amelioration Programme.

Air Safety, Search and Rescue

The development, implementation and enforcement of aviation safety standards is undertaken by CASA. Aviation search and rescue services previously provided by Airservices will be transferred to the Australian Maritime Safety Authority in 1997-98.

Avgas and Avtur Duty Paid

Industry's contribution to aviation safety regulation is made through fees and charges, and customs duty and excise on aviation turbine fuel and aviation gasoline. Airservices receives a component of aviation gasoline duty as a contribution to the recovery of the costs of enroute and terminal navigation services from the general aviation sector. (See also Excise Duty in *Statement 5*.)

Recoveries and Repayments

Loan and capital repayments by air transport government business enterprises are included in this item.

12.3 ROAD TRANSPORT

		1996-97 Estimate	1997-98 Budget	1998-99 Estimate	1999-00 Estimate	2000-01 Estimate
Road Grants	\$m	803.5	808.7	806.6	773.2	791.6
	%		0.6	-0.3	-4.1	2.4
Interstate Road Transport Charge	\$m	20.3	15.3	10.3	-	-
	%		-24.6	-32.7	-100.0	na
Road Safety and Land Transport Research	\$m	42.1	40.4	37.4	38.1	38.9
	%		-4.0	-7.4	1.9	2.1
Other	\$m	1.6	2.9	1.2	1.2	1.2
	%		81.3	-58.6	-	-
TOTAL	\$m	867.4	867.2	855.4	812.5	831.7
	%		-	-1.4	-5.0	2.4

Road Grants

The Commonwealth funds the National Highway System and contributes to the capital cost of some other roads of national importance. For roads more generally, the Commonwealth provides general revenue assistance to the States and to local government (see 14B. *General Purpose Inter-Government Transactions*).

Road Safety and Land Transport Research

The major component of this item is a contribution for the remediation of road safety black spots through assistance to State and local governments.

12.4 RAIL TRANSPORT

		1996-97 Estimate	1997-98 Budget	1998-99 Estimate	1999-00 Estimate	2000-01 Estimate
National Rail Corporation	\$m	6.1	-	-	-	-
	%		-100.0	na	na	na
Australian National Railways Commission	\$m	372.6	66.8	20.4	21.6	22.8
	%		-82.1	-69.5	5.9	5.6
National Rail Infrastructure Authority	\$m	-	-	35.9	63.1	86.2
	%		na	na	75.8	36.6
Other Rail Development	\$m	-14.5	-5.1	-4.0	-0.6	-0.6
	%		-64.8	-21.6	-85.0	-
TOTAL	\$m	364.3	61.8	52.3	84.1	108.4
	%		-83.0	-15.4	60.8	28.9

National Rail Corporation

The Government has decided, in principle, to sell its shareholding in the National Rail Corporation.

Australian National Railways Commission

The Government has decided to sell the Australian National Railways Commission with the exception of the interstate track.

National Rail Infrastructure Authority

To ensure open access to the interstate rail network for current and potential operators, the Government is negotiating with the States and others over access arrangements, including the possible establishment of a National Rail Infrastructure Authority

(NRIA). A Commonwealth contribution to capital expenditure on the mainline track is proposed as part of the establishment of a NRIA.

12.5 SEA TRANSPORT

		1996-97 Estimate	1997-98 Budget	1998-99 Estimate	1999-00 Estimate	2000-01 Estimate
Tasmanian Equalisation Schemes	\$m	48.7	46.1	46.5	46.9	47.3
	%		-5.3	0.9	0.9	0.9
Maritime Services	\$m	50.0	70.8	72.7	74.1	72.5
	%		41.6	2.7	1.9	-2.2
Shipping Industry Reform	\$m	27.7	4.0	-	-	-
	%		-85.6	-100.0	na	na
TOTAL	\$m	126.4	120.9	119.2	121.0	119.8
	%		-4.4	-1.4	1.5	-1.0

This subfunction includes the operations of the Australian Maritime Safety Authority (AMSA). The government business enterprise within this subfunction is ANL Limited.

On 30 November 1995, the then Government announced that ANL Limited would be restructured prior to its sale. ANL Limited has subsequently withdrawn from a number of loss-making businesses including the Europe and trans-Tasman trades. While ANL Limited has improved its operating performance over recent years, it has recorded significant cashflow deficits which have been funded, in part, through asset sales. The Commonwealth has guaranteed ANL Limited's debts and lease liabilities.

Tasmanian Equalisation Schemes

This heading includes both the Tasmanian Freight Equalisation Scheme and the Bass Strait Passenger Vehicle Equalisation Scheme. The Tasmanian Freight Equalisation Scheme assists in alleviating the comparative interstate freight cost disadvantage incurred by shippers of eligible non-bulk goods in transporting such goods to and from Tasmania by sea. The Bass Strait Passenger Vehicle Equalisation Scheme addresses the transport cost disadvantage when travelling with a passenger vehicle across Bass Strait by sea.

Maritime Services

Maritime Services includes funding for AMSA's search and rescue and related activities. Its marine navigation and ship safety activities and capital needs are funded from industry levies. During 1997-98, aviation search and rescue which was previously undertaken by Airservices will be transferred to AMSA.

Shipping Industry Reform

This item includes expenditure under the previous Government's shipping industry reforms. Spending under the *International Shipping (Australian Resident Seafarers) Act 1995* expires in 1996-97 following repeal of that Act by the *Shipping Grants Legislation Act 1996*. Expenditure under the *Ships (Capital Grants) Act 1987* will terminate in 1997-98.

12.6 OTHER TRANSPORT AND COMMUNICATION

Included in this item are the costs of administering relevant programmes in the Transport and Regional Development portfolio.