

12. TRANSPORT AND COMMUNICATION

NATURE OF OUTLAYS

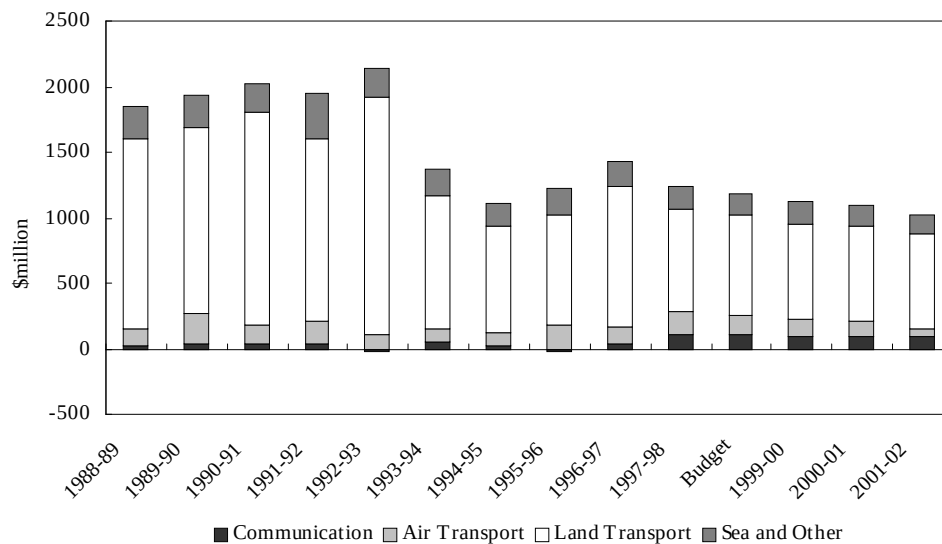
Transport and Communication outlays support the infrastructure and regulatory framework of Australia's transport and communications sectors. Outlays are provided in the form of grants, specific purpose payments, running costs, loans and advances and are offset by recoveries and repayments. The largest 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 and local government activities of the Transport and Regional Development portfolio are included in *7. Housing and Community Amenities* and *14B. General Purpose Inter-Government Transactions* respectively.

This function includes outlays of the following portfolios:

- Communications and the Arts;
- Transport and Regional Development; and
- Workplace Relations and Small Business.

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



TRENDS IN TRANSPORT AND COMMUNICATION OUTLAYS

The decline in outlays since 1992-93 reflects the completion of a number of major transport programmes and the untying of specific purpose road grants (comprising outlays of \$350 million per annum) from 1 January 1994. As a result of untying the specific purpose road grants, these outlays were reclassified under function 14B. General Purpose Inter-Government Transactions.

The increase in the Land Transport component of outlays in 1996-97 predominantly reflects funding for the sale and winding up of the Australian National Railways Commission.

Estimated outlays for all components of Transport and Communications are expected to decline slightly over the period 1998-99 to 2001-02.

1998-99 AND FORWARD ESTIMATES

		1997-98	1998-99	1999-00	2000-01	2001-02
		Estimate	Budget	Estimate	Estimate	Estimate
12.1	Communication	\$m 126.4	123.9	123.2	121.6	121.6
		%	-2.0	-0.6	-1.3	na
12.2	Air Transport	\$m 199.5	177.3	154.4	138.1	82.3
		%	-11.1	-12.9	-10.6	-40.4
12.3	Road Transport	\$m 873.3	868.2	843.6	849.3	854.4
		%	-0.6	-2.8	0.7	0.6
12.4	Rail Transport	\$m 53.2	59.6	62.5	85.1	80.7
		%	12.0	4.9	36.2	-5.2
12.5	Sea Transport	\$m 132.8	123.8	119.0	117.7	119.0
		%	-6.8	-3.9	-1.1	1.1
12.6	Other Transport and Communication	\$m 77.6	82.1	80.3	80.7	80.8
		%	5.8	-2.2	0.5	0.1
	TOTAL	\$m 1462.9	1434.9	1383.0	1392.5	1338.7
		%	-1.9	-3.6	0.7	-3.9

12.1 COMMUNICATION

		1997-98	1998-99	1999-00	2000-01	2001-02
		Estimate	Budget	Estimate	Estimate	Estimate
	Planning and Regulation	\$m 127.4	124.9	124.2	122.6	122.6
		%	-2.0	-0.6	-1.3	na
	Sale of Communication Rights	\$m -1.0	-1.0	-1.0	-1.0	-1.0
		%	na	na	na	na
	TOTAL	\$m 126.4	123.9	123.2	121.6	121.6
		%	-2.0	-0.6	-1.3	na

The Communication subfunction includes the operations of the Australian Communications Authority (ACA) and grants from the Regional Telecommunications Infrastructure Fund.

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 (apart from competition regulation) of the communications industry is currently undertaken by the Department of Communications and the Arts, and the ACA. Competition regulation of the industry is the responsibility of the Australian Competition and Consumer Commission. The ACA also undertakes radiocommunications spectrum planning and administration including the allocation of spectrum.

12.2 AIR TRANSPORT

		1997-98 Estimate	1998-99 Budget	1999-00 Estimate	2000-01 Estimate	2001-02 Estimate
Airport Administration and Aviation	\$m	100.1	96.9	77.2	59.9	3.1
Policy	%		-3.2	-20.3	-22.4	-94.8
Air Safety	\$m	32.5	29.7	31.1	31.2	31.4
	%		-8.6	4.7	0.3	0.6
Avgas and Avtur Duty Paid	\$m	66.9	50.6	46.1	46.9	47.7
	%		-24.4	-8.9	1.7	1.7
TOTAL	\$m	199.5	177.3	154.4	138.1	82.3
	%		-11.1	-12.9	-10.6	-40.4

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 which is expected to be completed in 2000-01.

Air Safety

The development, implementation and enforcement of aviation safety standards is undertaken by the Civil Aviation Safety Authority (CASA). The Bureau of Air Safety Investigation is responsible for air safety investigations and associated research action and where appropriate, making recommendations to rectify any deficiencies. Search and rescue services previously provided by Airservices Australia (Airservices) were 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*.)

12.3 ROAD TRANSPORT

		1997-98	1998-99	1999-00	2000-01	2001-02
		Estimate	Budget	Estimate	Estimate	Estimate
Road Grants	\$m	817.3	799.0	785.6	805.8	811.3
	%		-2.2	-1.7	2.6	0.7
Interstate Road Transport Charge	\$m	20.3	15.3	15.3	-	-
	%		-24.6	na	-100.0	na
Road Safety and Land Transport Research	\$m	29.0	48.8	38.0	38.8	39.6
	%		68.3	-22.1	2.1	2.1
Other	\$m	6.7	5.2	4.7	4.7	3.5
	%		-22.4	-9.6	na	-25.5
TOTAL	\$m	873.3	868.2	843.6	849.3	854.4
	%		-0.6	-2.8	0.7	0.6

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*).

Interstate Road Transport Charge

Heavy vehicles engaged solely in interstate trade may be registered under the Federal Interstate Registration Scheme (FIRS), which is administered by the Department of Transport and Regional Development under the *Interstate Road Transport Act 1985*. All revenue is returned to the States and Territories for maintenance and construction of interstate roads and is distributed according to a Ministerial determination based on annual kilometres travelled by FIRS vehicles in each State and Territory. The Commonwealth has agreed to review the future of FIRS from the time when all States and Territories have the National Registration Scheme in place.

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.

Other

This item includes funding for the Petroleum Products Freight Subsidy Scheme (PPFSS). The PPFSS was previously classified under function *13.C. Other Economic Affairs, NEC*.

12.4 RAIL TRANSPORT

		1997-98	1998-99	1999-00	2000-01	2001-02
		Estimate	Budget	Estimate	Estimate	Estimate
National Rail Corporation	\$m	16.1	-	-	-	-
	%		-100.0	na	na	na
Australian National Railways Commission	\$m	33.4	19.9	-	-	-
	%		-40.4	-100.0	na	na
Upgrade of Rail Track	\$m	-	35.0	61.5	84.0	80.7
	%		na	75.7	36.6	-3.9
Other Rail Development	\$m	3.8	4.7	1.0	1.0	-
	%		23.7	-78.7	na	-100.0
TOTAL	\$m	53.2	59.6	62.5	85.1	80.7
	%		12.0	4.9	36.2	-5.2

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 sold most businesses and assets of the Australian National Railways Commission with the exception of the interstate track. The interstate track is to be transferred to the newly formed Australian Rail Track Corporation (ARTC) with a provision that the Alice Springs to Tarcoola line will be made available to any successful proponent of an Alice Springs to Darwin line.

Upgrade of rail track

To ensure open access to the interstate rail network for current and potential operators, the Government negotiated arrangements with the States and others over access, including the establishment of the ARTC. Concurrent with the establishment of the ARTC the Commonwealth proposes, subject to adequate progress on harmonisation issues, to contribute to the upgrade of the interstate mainline rail track.

12.5 SEA TRANSPORT

		1997-98	1998-99	1999-00	2000-01	2001-02
		Estimate	Budget	Estimate	Estimate	Estimate
Tasmanian Equalisation Schemes	\$m	54.4	53.0	47.2	47.6	47.6
	%		-2.6	-10.9	0.8	na
Maritime Services	\$m	74.4	70.8	71.8	70.1	71.4
	%		-4.8	1.4	-2.4	1.9
Shipping Industry Reform	\$m	4.0	-	-	-	-
	%		-100.0	na	na	na
TOTAL	\$m	132.8	123.8	119.0	117.7	119.0
	%		-6.8	-3.9	-1.1	1.1

Tasmanian Equalisation Schemes

This item includes both the Tasmanian Freight Equalisation Scheme (TFES) and the Bass Strait Passenger Vehicle Equalisation Scheme (BSPVES). TFES 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 BSPVES addresses the transport cost disadvantage when travelling with a passenger vehicle across Bass Strait by sea.

Maritime Services

Maritime Services includes funding for the Australian Maritime Safety Authority's (AMSA) 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, was transferred to AMSA.

Shipping Industry Reform

This item includes expenditure under the previous Government's shipping industry reforms that have now terminated. While eligibility under the Ships (Capital Grants Act) 1987 terminated in 1996-97, expenditure is expected to be completed by 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 and the Communications and the Arts portfolios.