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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

AUSTRALIAN BICENTENNIAL ROAD DEVELOPMENT TRUST

FUND AMENDMENT BILL 1984

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Transport,
the Hon. Peter Morris, M.H.R.)

AUSTRALIAN BICENTENNIAL ROAD DEVELOPMENT

TRUST FUND AMENDMENT BILL 1984

OUTLINE

The purpose of the Bill is to amend the Australian Bicentennial Road Development Trust Fund Act 1982.

The Bill provides for changes to three aspects of the arrangements under which financial assistance is made available to the States and Northern Territory under the Australian Bicentennial Road Development Program.

First, the Bill provides that, where a State's expenditure on roads in any year exceeds the amount necessary to meet the requirement under the Act that spending be maintained in real terms, the excess expenditure may be treated as expenditure by the State in a subsequent year.

Secondly, the Bill removes the requirement that, where a State directs assistance received under the Act to an urban public transport project, it must maintain in real terms its own capital expenditure on urban public transport.

Thirdly, the Bill introduces some flexibility into the requirement that tenders must be called by the States for all works associated with national and arterial road projects. The Bill allows the Minister to agree, upon request by a State, to an exemption from the requirement to call tenders for particular works where the Minister is satisfied that specific circumstances apply. This particular amendment is to be backdated to 12 February 1984, the date on which the revised arrangements were announced.

AUSTRALIAN BICENTENNIAL ROAD DEVELOPMENT TRUST

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CLAUSE 1

SHORT TITLE, ETC.

This is the usual clause providing for the citation of the Principal Act and the Amending Act.

CLAUSE 2

COMMENCEMENT

The Act will come into operation on the day it receives Royal Assent. The amendments for which Clause 5 provides are to be backdated to 12 February 1984.

CLAUSE 3

VARIATION OF PERCENTAGES WHERE STATE
FAILS TO MAINTAIN EXPENDITURE ON ROADS

This clause amends Section 12 of the Principal Act Principally by providing for the substitution of new sub-sections (1), (1A) and (1B). The effect of the amendment is that, where a State's expenditure on roads in any year exceeds the amount necessary to maintain spending in real terms, the excess expenditure is to be taken into account in determining expenditure by the State in a subsequent year.

The new sub-section (1) defines a "deficit year" as a year in respect of which the Minister gives, or could give, notice to a State under Section 12(2) of the Principal

Act, on account of the State's expenditure on roads not having been maintained in real terms. The definition of "relevant expenditure" is also varied to preclude a State counting as its own expenditure any amount spent on roads from Commonwealth financial assistance provided under the Community Employment Act 1983.

The new sub-section (1A) provides that, where the Minister becomes satisfied that a State's expenditure on roads in any year exceeds the amount necessary for expenditure to be maintained in real terms, the Minister is to formally notify the State of the amount of the excess.

The new sub-section (1B) provides that, where the Minister has notified a State of excess expenditure in respect of a year, the excess is to be taken into account for purposes of determining the State's level of expenditure on roads in a subsequent year. The sub-section also provides that, where a year in which a State incurs excess expenditure is immediately preceded by a "deficit year", the amount of excess expenditure to be carried forward will be the net amount by which the State's expenditure over the two year period exceeded the real terms requirement.

CLAUSE 4

REPEAL OF SECTION 13

This clause repeals Section 13 of the Principal Act which requires that, where a State directs funds to an urban

public transport project, it must maintain in real terms its own capital expenditure on urban public transport.

CLAUSE 5

ADDITIONAL CONDITIONS WITH RESPECT TO

APPROVED PROJECTS

This clause amends Section 23 of the Principal Act by providing that the Minister may agree that particular works are exempt from the requirement to be put to tender. Tenders will not be required to be called where a State satisfies the Minister that

- . there is an emergency requirement for the works to be performed
- . the works are of such a minor nature that calling tenders would involve undue additional cost
- . it is not practical to prepare adequate tender specifications for the works
- . the works are of such a kind that competitive tenders are unlikely to be received
- . the works involve adjustments to utility services which would normally be undertaken by a government department, a government authority or a corporation not primarily responsible for the construction of roads

- . the performance of the work under contract would cause an unavoidable retrenchment of a substantial number of State or Local Government road construction employees
- . performance of the work under contract would cause unavoidable inefficiency in the deployment of a substantial number of State and Local Government road construction employees.

