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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

AUSTRALIAN CENTENNIAL ROADS DEVELOPMENT AMENDMENT BILL 1990

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for  
Transport and Communications  
the Hon KIM BEAZLEY MP)



AUSTRALIAN CENTENNIAL ROADS DEVELOPMENT AMENDMENT BILL 1990OUTLINE

This Bill amends the *Australian Centennial Roads Development Act 1988* (the ACRD Act 1988). It provides for the name of the Principal Act to be changed to the *Australian Land Transport Development Act 1988*. The ACRD Act 1988 presently establishes the Australian Centennial Roads Development Trust Fund into which a specified share of customs and excise duty on motor spirit and diesel fuel, designated as a "road user charge" is maintained. The Bill renames the trust fund as the Australian Land Transport Development Trust Fund into which not only the above customs and excise duty will be paid but an additional payment being a separate appropriation from the Consolidated Revenue Fund.

The Bill will maintain the categories of assistance to the States and Territories established by the Australian Centennial Roads Development Program. In addition, it will provide three new programs of funding from 1 July 1990, from a separate appropriation of consolidated revenue. The three new programs of funding are for three new categories of assistance: provincial cities and rural highways projects, black spots projects and road safety measures and urban public transport (UPT) projects.

Provision for UPT funding existed under the Principal Act. However, as a matter of administration, funding for UPT was indirect in that it arose out of a re-allocation from the arterial roads categories. This Bill provides specifically for a separate category of UPT assistance and the UPT category is therefore described as a new category of assistance. In addition the definition of a UPT project has been expanded.

Funding for the construction and maintenance of State arterial roads will cease on 31 December 1990. While funding will cease, the State arterial roads category will remain enabling the Minister to transfer funds on a discretionary basis from other categories to State arterial roads, where individual States are judged to have needs in this area.

The new category of provincial cities and rural highways projects will enable the funding of rural highways and roads in provincial city areas. Projects are required to have an advantageous benefit/cost ratio to be eligible for assistance.

The black spots projects and road safety measures category provides for a road safety program to improve the physical condition or management of accident black spots and other road safety measures. A black spot is a site or location on a road the features of which have contributed to serious motor vehicle crashes involving death or personal injury.

The black spots projects and road safety measures is part of the Federal Government's two-pronged initiative announced in December last year aimed at reducing the national road toll. In order to be eligible for funding States must agree to implement the Federal Government's road safety package in respect of that State.

Urban public transport projects will enable the funding of projects which will reduce traffic or wear and tear on urban roads. Projects which are likely to provide environmentally or socially innovative measures to facilitate public transport will also be eligible for funding.

The distribution of funds among the States under the three new categories will be at the Minister's discretion in

accordance with national priorities. There are no fixed State shares.

Provision is made for the Minister to declare projects and approve projects or programs of projects in each new category.

#### FINANCIAL IMPACT STATEMENT

The three funding programs will cost the Commonwealth \$178,300,000 in 1990-91, \$168,300,000 in 1991/92 and \$158,400,000 in 1992-93. This is a total of \$505,000,000 over the next three years and will be in addition to the Government's existing land transport funding commitments.

NOTES ON CLAUSES

PART 1 - PRELIMINARY

Clause 1 - Short title

1. Subclause (1) provides for the short title of the Act to be the Australian Centennial Roads Development Amendment Act 1990.
2. Subclause (2) indicates that the Principal Act means the Australian Centennial Roads Development Act 1988.

Clause 2 - Commencement

3. Provides that the Act will come into operation on the day it receives the Royal Assent.

Clause 3 - Short Title

4. This clause operates to rename the Principal Act as the Australian Land Transport Development Act 1988.

Clause 4 - Interpretation

5. Section 3 of the Principal Act is amended to provide for new definitions. The Australian Centennial Roads Development Trust Fund is renamed the Australian Land Transport Development Trust Fund and the definition of "Fund" is amended accordingly.
6. Provision is made for the definition of a "provincial cities and rural highways road" which means a road or proposed road declared under subsection 7A(1) and which remains in force.

7. The definition of an "urban public transport project" which appears in the Principal Act is deleted. An urban public transport project is now a project declared under subsection 7C(1) where that declaration remains in force. The definition of an urban public transport system which appeared in the Principal Act has been deleted.

Clause 5 - Insertion of new sections

Provincial cities and rural highways projects

8. The new subsection 7A(1) allows the Minister to declare as a provincial cities and rural highways road, a road or proposed road, where the Minister is satisfied the construction of the road would provide economic benefits which exceed the cost incurred in constructing the road and the road or proposed road lies outside the capital cities.

9. Subsection 7A(2) allows the Minister to vary or revoke a declaration of a provincial cities and rural highways road.

10. Subsection 7A(3) requires the Minister to provide a copy of declarations made under this section to the appropriate State Minister. This is to ensure that the relevant State Ministers are made aware of the existence of such declarations.

Black spots projects and road safety measures

11. The new subsection 7B(1) allows the Minister to declare, as a black spot, a part of a road where the Minister is satisfied that the nature of the site has contributed to serious motor vehicle crashes involving death or personal injury. Such a declaration cannot relate to a part of a national highway. Roads are declared to be national highways pursuant to subsections 4(1) or (2) of the Principal Act.

12. Pursuant to the ~~new subsection 7B(2)~~ the Minister may also declare, as a road safety measure, any other project or measure where the Minister is satisfied the implementation of that measure is likely to reduce the incidence of motor vehicle casualties involving death or injury. For example these could include bicycle helmet rebates, breathalyser units, mobile breath-testing stations and pedestrian safety control measures.

13. Subsection 7B(3) enables the Minister to revoke or vary declarations made under subsections 7B(1) and (2).

14. Subsection 7B(4) requires the Minister to provide a copy of declarations made under this section to the appropriate State Minister.

#### Urban public transport projects

15. The new subsection 7C(1) allows the Minister to declare as an urban public transport project any project which the Minister considers is likely to reduce traffic or wear and tear on roads in urban areas. Alternatively the project must be one which is likely to assist in the provision of transport services for particular communities or which minimises adverse effects on the environment (even if the project is not in an urban area as defined). The project must be by way of capital expenditure.

16. The Minister may vary or revoke declarations of urban public transport projects (subsection 7C(2)).

17. Subsection 7C(3) requires the Minister to provide a copy of declarations made under this section to the appropriate State Minister.

Clause 6 - Heading to Part II

18. The heading to Part II of the Principal Act is amended to take account of the renaming of the Trust Fund pursuant to clause 7 of the Bill.

Clause 7 - Establishment of Fund

19. Section 11 of the Principal Act is amended to rename the Australian Centennial Roads Development Trust Fund as the Australian Land Transport Development Trust Fund Subsection 11 (1)).

20. Subsection 11(2) provides that the Trust Fund established under the Principal Act will continue to operate as the Australian Land Transport Development Trust Fund.

Clause 8 - Money to be paid into Fund

21. This clause which amends section 12 of the Principal Act makes provision for additional annual payments to be made into the Australian Land Transport Development Trust Fund. For the financial year commencing 1 July 1990 the payment will be \$178,300,000. For each of the two successive financial years payments will be \$168,300,000 and \$158,400,000 respectively. This is the money from consolidated revenue to be used to fund the three new categories of assistance referred to in the new sections 7A, 7B and 7C.

Clause 9 - Application of Fund

22. Subclause 9(1) amends Section 15 of the Principal Act to enable payments to be made from the Fund to States for projects for the construction of provincial cities and rural highways roads approved under subsection 26(3). In



addition Sub-clause 9(2) allows for payments to be made out of the Fund for the improvement of accident black spots or for measures which will enhance road safety provided that in both cases the State has agreed to implement the road safety initiatives identified by the Minister.

Clause 10 - Limitation of allocations made after  
30 June 1989

23. This clause amends Section 17(1) of the Principal Act which provided for the determination of the limit of allocations to the States for State arterial roads made after 30 June 1989. Provision for allocations to State arterial roads based on a proportion of Trust Fund receipts is deleted. A schedule of dollar allocations has been inserted (see clause 15) which indicates the maximum amount payable to the States for State arterial roads after 30 June 1989. This will have the practical effect of ceasing allocations for State arterial roads on 31 December 1990 as the full amount of the allocation will be paid to the States by that date. While the determination of annual allocations for State arterial roads will cease the Minister will retain the ability to transfer funds from other categories of assistance to State arterial roads where States can demonstrate special needs in this area.

24. The amendment to subsection 17(2) ensures that the allocation to local roads which was based on a percentage of the total Fund is now only a percentage of the receipts of road user charge. This ensures that the additional funding intended to finance the new categories of assistance will not affect the level of local road funding.

Clause 11 - Use of funds allocated to projects etc  
commenced before the commencement of Act

25. This clause allows States and organisations to seek the Minister's approval for reimbursement of expenditure on approved projects or programs relating to the three new categories of assistance, that commenced before, and where expenditure was incurred before the commencement of this Act.

Clause 12 - Approval of projects and programs

26. In addition to the existing provisions under Section 26 of the Principal Act this clause inserts new subsections (1)(ba) and (bb) which allow the Minister to invite or direct States to submit particulars of projects for the construction of provincial cities and rural highways roads or projects or programs for the improvement of black spots and the implementation of road safety measures. The black spots and road safety measures projects or programs must have commenced or will commence after 1 July 1990.

27. Subsection 26(1)(d) is also amended to allow the Minister to invite or direct States to submit particulars of UPT projects and programs.

28. Subsection 26(2) is amended to reflect the fact that the Minister may, pursuant to a number of paragraphs in subsection 26(1), invite the submission of projects or programs. Subsection 26(2) previously only allowed the Minister to inform a State authority or organisation that the Minister considered particulars of the project or program should be submitted in a direction (not an invitation).

29. New subsection 26(3) allows the Minister to approve a \_\_\_\_\_ project or program of a kind referred to in subsection (1) where the Minister is satisfied that it is appropriate to do so. This is regardless of whether the State has complied with the direction or accepted the invitation to submit particulars.

30. Subclause 12(2) ensures that UPT projects approved under the Principal Act are treated as declared and approved under this Act such that nothing further is required for payment out of the Fund in respect of that project.

Clause 13 - Additional conditions with respect to approved projects and programs

31. The scope of the additional conditions under Section 32 of the Principal Act which apply to payments from the Fund has been expanded.

32. Subclause 13(a) inserts a reference to provincial cities and rural highways roads into paragraph 32(1)(a) of the Principal Act such that States are now also required to invite and deal with tenders for works associated with provincial cities and rural highways roads in accordance with procedures approved by the Minister.

33. Subclause 13(b) replaces subparagraph 32(1)(h)(i) to include reference to provincial cities and rural highways roads. States are to develop and implement quality systems in relation to national highways, national arterial roads and provincial cities and rural highways roads which provide greater assurance that projects are completed on budget and to an appropriate standard.

34. The provisions of paragraph 32(1)(m) which require States to seek the Minister's written permission before

applying toll charges to particular Federally funded roads have been extended to provincial cities and rural highways roads (subclause 13(c)).

35. Provision has been made (by the operation of subclause 13(d)) for the Minister to require satisfactory implementation by a State of any road safety measures agreed between the Minister and the State in order for funds for black spots projects and road safety measures to be paid out of the Fund (see Clause 9).

Clause 14 - Minister may issue guidelines

36. Section 37 of the Principal Act has been repealed and replaced to permit the Minister not only to determine guidelines for expenditure by States for the construction and maintenance of State arterial roads but also to determine guidelines for the administration of projects or programs approved under subsection 26(3).

37. Subclause 14(2) is a transitional provision giving continuing effect to guidelines in force under Section 37 immediately before the commencement of this Act.

Clause 15 - Schedule 2

38. As indicated at paragraph 23, Schedule 2 of the Principal Act is repealed and replaced with a new Schedule 2, replacing percentage upper limits on funding for State arterial roads with dollar allocations. This will have the practical effect of ceasing the determination of annual allocations to the States for State arterial roads after 31 December 1990.







