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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

ROADS GRANTS AMENDMENT BILL 1982

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Transport,
the Honourable R.J. Hunt, M.P.)

ROADS GRANTS AMENDMENT BILL 1982

OUTLINE

The purpose of this Bill is to amend the Roads Grants Act 1981. It appropriates funds totalling \$2,337 million for payment to the States and Northern Territory for road works over the period 1982/83 to 1984/85.

The Bill subsumes the amounts appropriated by the Roads Grants Act 1981 for all road categories in 1981/82 and for national roads in 1982/83 and 1983/84.

The Bill gives continuing effect to the Government's commitment, announced in June 1980, to provide \$3,650 million in road grants to the States and Northern Territory on the basis of the following annual allocations:

1980/81	-	\$628 million
1981/82	-	\$685 million
1982/83	-	\$734 million
1983/84	-	\$778 million
1984/85	-	\$825 million

The total annual allocations to each State and the Northern Territory for which the Bill provides are as follows:

\$ Million

	<u>1981/82</u>	<u>1982/83</u>	<u>1983/84</u>	<u>1984/85</u>
New South Wales	214.336	229.675	243.444	258.148
Victoria	137.828	147.671	156.523	165.979
Queensland	139.361	149.348	158.301	167.865
South Australia	56.302	60.327	63.943	67.807
Western Australia	83.895	89.874	95.262	101.017
Tasmania	30.243	32.406	34.349	36.424
Northern Territory	23.035	24.699	26.178	27.760

The terms and conditions under which Commonwealth road assistance is to be provided to the States and Northern Territory over the period 1982/83 to 1984/85 will be the same as those specified in the Roads Grants Act 1981.

NOTES ON CLAUSES

Clause 1 - Short Title

The short title of the Act will be the Roads Grants Amendment Act 1982 (Sub-clause (1)).

The Roads Grants Act 1981 is the Act referred to as the Principal Act (Sub-clause (2)).

Clause 2 - Commencement

The legislation will come into operation on the day on which it receives Royal Assent.

Clause 3 - Interpretation

The term "relevant year" is defined for the purposes of the legislation as any year in the period 1981/82 to 1984/85.

Clause 4 - Interpretation (National Roads)

A separate definition of "relevant year" is no longer necessary for national roads as all road categories are now covered by the period of the legislation.

Clause 5 - Approval of Programs

This clause relates to a provision in the Principal Act which permits a stage of a national roads project to be included in an approved program for a following year without the specific approval of the Minister in circumstances where the

Minister has previously approved the total project and the carrying out of a preceding stage of the project in an earlier year covered by the Act. The purpose of this Clause is to ensure that the provision cannot be applied to projects uncompleted at the end of 1984/85.

Clause 6 - Grants for Arterial Roads

Sub-clauses (a) and (b) extend over the period of the legislation, the provision for payment to be made to each State of the amount specified each year in Schedule 2 for the construction of arterial roads.

Clause 7 - Condition of Grant of
Financial Assistance for Arterial Roads

Sub-clauses (a) and (b) extend over the period of the legislation the existing requirement for a State to expend its annual grant in the year for which it has been allocated on the construction of arterial roads.

Clause 8 - Principles Relating to
Allocations for Local Roads

Sub-clauses (a) - (d) extend the period to 1984/85 over which the principles relating to allocations for local roads (formula approach) can be applied.

Clause 9 - Approval of Programs of
Allocations for Local Roads
Where No Principles Formulated

Sub-clauses (a) and (b) extend to each of the years covered by the legislation the powers of the Minister, where no agreement or determination of principles has been formulated to request a State to submit for his approval a program of

allocations for local roads.

Clause 10 - Grant for Local Roads

Sub-clauses (a) and (b) extend over the period of the legislation the provision for payment to be made to each State of the amount specified each year in Schedule 3 for the construction and maintenance of local roads.

Clause 11 - Condition of Grant of
Financial Assistance for Local Roads

Sub-clauses (a) - (c) extend over the period of the legislation the existing requirement for a State to expend its annual grant each year on the construction and maintenance of local roads in accordance with formulated principles or an approved program of allocations.

Clauses 12 and 13 - Variations of
Amounts Specified in Schedules

These clauses extend the period of the legislation over which the Minister is empowered to approve requests for the transfer of funds between Schedules if the States are unable to spend the moneys allocated to particular categories (Clause 12) or if the States can demonstrate that a transfer is warranted on the basis of relevant priorities (Clause 13).

Both clauses, however, continue to preclude the Minister approving the transfer of funds from the national roads category to either of the other two categories.

Clause 14 - Moneys Expended After a Year
in Which They are Paid to State

This clause extends over the period of the legislation the provision that moneys which are set aside by a State during a year for expenditure in accordance with the Act,

but which are actually spent during the first six months of the following financial year, are to be deemed as having been expended during the year in which they were set aside.

Clause 15 - Moneys Deemed to have been
Expended on National Roads Projects

This clause extends over the period of the legislation the provision permitting the States to include in the cost of an approved national roads project part of the general administrative overhead expenses directly related to the construction and maintenance of national roads.

Clause 16 - Additional Conditions for
National Roads Projects

This clause extends the period in which approved projects are subject to the tendering requirement to cover the years to which the legislation applies.

Clause 17 - Additional Conditions with
Respect to Arterial Roads Projects

Sub-clauses (a) - (c) extend to each year the existing requirement for a State to provide a report, as soon as possible after 30 June, of the projects to which Commonwealth funds have been applied.

Clause 18 - Authority to Borrow

This clause extends the period over which the Treasurer is authorised to borrow moneys for the purposes of the legislation.

Schedules

The Schedules to the Bill set out individual States' allocations in each year over the period 1981/82 to 1984/85 for each road category.