

TRANSPORT AND REGIONAL DEVELOPMENT

Funding of Airport Environment Officers and Airport Building Controllers at federal airports subject to sale

Function: Transport and Communication

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
1.4	1.4	1.4	1.4

Explanation

The *Airports Act 1996* establishes a regulatory framework for airports that are subject to long-term lease as part of Phase 1 of the sale of Federal airports (i.e. the sale of Brisbane, Melbourne and Perth airports). Among other things the Act regulates environmental management, land use planning and building control on these airports.

The positions of Airport Environment Officer and Airport Building Controller are established under the Act to oversee the Commonwealth's public interests in vetting building proposals and activity and ensuring proper environmental management, clean-up and pollution prosecution on airports.

The Department of Transport and Regional Development is selecting contractors to perform these functions at the various airports. Payments by the department to these contractors will be fully recovered through charges. Details are provided in the revenue measure titled 'Cost recovery of funding for Airport Environment Officers and Airport Building Controllers at federal airports subject to sale' (see Part II).

Airport Building Controllers and Airport Environment Officers will be appointed to Melbourne, Brisbane and Perth airports and will provide a full time presence at those airports.

Further Information

These arrangements will be subject to review in the initial years to assess their efficiency and effectiveness.

TRANSPORT AND REGIONAL DEVELOPMENT

Federal Airports Corporation - Conversion of grant to equity injection for the extension of the runway at Adelaide Airport

Function: Transport and Communication

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
-25.0	-3.0	0.0	0.0

Explanation

The Government announced in the context of the 1996-97 Budget that it would contribute to the costs of extending the main runway at Adelaide Airport in line with its

election commitment, and also to associated works. The funding arrangements comprised: \$28 million to be provided to the Federal Airports Corporation (FAC) in 1996-97 for the runway extension; and up to \$20 million from the leasehold sale proceeds from the airport to be reimbursed to the South Australian Government to cover its development costs for works associated with the runway extension.

The Government has decided to fund the runway extension through providing its \$28 million contribution as an equity injection to the FAC.

The FAC has undertaken detailed planning in relation to the project and is expected to commence construction of the runway extension in early 1997-98. The majority of the work is expected to be undertaken in the 1997-98 financial year.

The runway extension is still expected to be completed in 1998.

While the impact of this measure on the deficit is neutral on a headline basis, the equity injection will be classified as an advance and therefore not contribute to the underlying deficit (the underlying deficit is therefore lower as a result of the equity injection).

TRANSPORT AND REGIONAL DEVELOPMENT

Funds for Roads of National Importance in WA

Function: Transport and Communication

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
10.0	10.0	10.0	10.0

Explanation

In November 1996 the Government announced its intention to provide funding for certain roads in Western Australia as Roads of National Importance. An additional \$40 million of federal road funding will be provided to Western Australia over the four years from 1997-98 to 2000-01. The funding will assist with the extension of the Mitchell Freeway between Ocean Beach Road, Craigie and Hodges Drive, Joondalup, and the sealing of the Mt Keith to Wiluna section of the Kalgoorlie-Meekatharra Road.

TRANSPORT AND REGIONAL DEVELOPMENT

Rephasing of funding for the National Rail Infrastructure Authority

Function: Transport and Communication

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
-15.3	-27.0	-19.0	-18.2

Explanation

This measure is deferring for one year and rephasing capital expenditure related to track improvements associated with the proposal to create a National Rail Infrastructure Authority (NRIA). The Commonwealth is negotiating with the States the establishment

of a NRIA to facilitate development of a simplified access regime for the interstate mainline rail track. A Commonwealth contribution to capital expenditure on the mainline track is proposed as part of the establishment of the NRIA.

This measure anticipates a need for an additional period for negotiations relating to the track access regime and establishment of the NRIA.

This additional time period will be used to:

- complete negotiations with the States;
- determine appropriate capital projects and funding arrangements; and
- decide upon suitable functions and organisational structure for the new entity.

Further Information

\$175 million has been provided for the programme over four years until the year 2000-01, with financing commencing in 1998-99.

TRANSPORT AND REGIONAL DEVELOPMENT

Continuation of funding for the National Road Transport Commission

Function: Transport and Communication

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
0.6	1.2	1.2	1.2

Explanation

The National Road Transport Commission (NRTC) is an independent body established under a 1991 Intergovernmental Agreement on Road Transport, and reports to the Ministerial Council for Road Transport (MCRT). The Commonwealth has funded 35 per cent of the NRTC budget, with the remaining 65 per cent contributed by the State Governments. The measure provides new Commonwealth funding beyond the NRTC's current sunset date of 15 January 1998.

A review recommended the continuation of the NRTC beyond this date. Heads of Government are considering this recommendation which has been strongly endorsed by the MCRT.

The continuation of the NRTC will allow the ongoing implementation of a road transport microeconomic reform agenda, aimed at establishing a national uniform or consistent road regulatory environment. These reforms offer the potential for a more efficient road transport sector, with flow-on effects to the general economy. Effective observance of road transport reforms is a criterion for Competition Payments to the States under the agreement to implement the National Competition Policy and related reforms.

TRANSPORT AND REGIONAL DEVELOPMENT

Realignment of Tasmanian Freight Equalisation Scheme assistance rates

Function: Transport and Communication

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
-3.0	-3.0	-3.0	-3.0

Explanation

The Tasmanian Freight Equalisation Scheme (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 scheme applies to non-bulk goods produced in Tasmania for use on the mainland and raw material and equipment inputs (of Australian origin) into Tasmania's manufacturing, mining, agricultural, forestry and fishing industries.

The Scheme commenced in 1976, while the present arrangements have applied since September 1985. Assistance is provided to over 1,000 shippers a year ranging from small sole proprietor businesses to large companies, with annual assistance payments ranging from less than \$100 a year to over \$5 million a year.

To reflect the comparative decline in some freight rates over the past 10 years, the Government will be undertaking a review to realign assistance rates while still ensuring that Tasmania does not suffer disadvantage, relative to other States, from transport costs.

Savings under this measure are in addition to those announced in the 1996-97 Budget. The Commonwealth will still spend \$35.2 million on the Tasmanian Freight Equalisation Scheme in 1997-98.