



**PORTFOLIO  
BUDGET STATEMENTS  
1996-97**

**TRANSPORT AND REGIONAL  
DEVELOPMENT PORTFOLIO**

**Budget Initiatives and  
explanations of appropriations**

**BUDGET RELATED PAPER NO. 1.15**

(i)

# TRANSPORT AND REGIONAL DEVELOPMENT PORTFOLIO

## PORTFOLIO BUDGET STATEMENTS

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# TRANSPORT AND REGIONAL DEVELOPMENT PORTFOLIO

## 1996-97 BUDGET PORTFOLIO BUDGET STATEMENTS

### User Guide

The purpose of Portfolio Budget Statements (PBS) is to provide Senators and Members with sufficient information, explanation and justification to enable Parliament to understand the purpose of each item proposed in the Appropriation Bills. The statements set out the links between sub-program objectives, performance reports and forecasts, and resources for all sub-programs in the portfolio. They include estimates of outlays for the Transport and Regional Development Portfolio for 1996-97, comprising expenditure estimates provided in Appropriation Bills 1 and 2, Special Appropriations, offsetting revenue and other adjustments. They also include details of budget measures and reasons for variations to estimates for each sub-program.

Information in the statements is presented in three sections.

#### **SECTION I: OVERVIEW**

This section contains:

- . a schematic illustration of the portfolio program structure that:
  - outlines the sub-programs for which detailed explanations of estimates are provided in Section II; and
  - locates Budget dependent agencies within the portfolio program structure.
- . an overview of the portfolio that:
  - identifies major areas of responsibility and key areas of activity for the year ahead;
  - summarises changes in the portfolio program structure from the previous year;
  - summarises the portfolio's financial outcome for 1995-96 and estimated resource use in outyears;
  - summarises outlays and staffing by sub-program for 1995-96 and 1996-97; and
  - lists Budget measures affecting the portfolio by program and cross references to discussion of the measures in sub-program statements.

#### **SECTION II: PROGRAM ANALYSIS**

This section contains the detailed explanation of the 1996-97 estimates. For each program it presents:

- . a statement of the objective of the program and a summary of the resources (outlays and staffing) allocated to the program;
- . for each **sub-program**, specific statements setting out:
  - its objective;
  - a resource table which identifies each appropriation item contributing to that sub-program element and any offsetting receipts and other adjustments. The "bottom-line" for each sub-program element is

always expressed first in terms of appropriations and then reconciled to outlays. The table also shows average staffing levels;

- a summary of variations between the 1995-96 actual outlays and 1996-97 Budget outlays;
- a summary of Budget measures arising from decisions by the Government in the 1996-97 Budget process;
- a brief assessment of the key performance measures of the program against its objectives for the 1995-96 year; and
- a brief discussion of the strategies each sub-program plans to adopt and the outlook for the sub-program during the coming year, integrating the expected impact of relevant budget measures.

### **SECTION III: RECONCILIATION TABLES**

This section provides:

- . a reconciliation of expenditure from programs to expenditure from Appropriation types: 1996-97; and
- . a reconciliation of expenditure from Appropriations to expenditure from programs: 1996-97.

**SECTION I**

**OVERVIEW**

# TRANSPORT AND REGIONAL DEVELOPMENT PORTFOLIO

## OVERVIEW

### ROLE OF THE PORTFOLIO

The role of the Transport and Regional Development Portfolio is to support the Government's objectives of fostering the development of Australia's transport sector, and of regional Australia, consistent with broader economic and social policy objectives. The Portfolio is also involved in implementing the Government's policies across the full range of activities from administration and regulation to providing infrastructure and delivering services (the latter to both operators and end users). Major activities include:

- . monitoring transport and regional development activities and providing associated policy advice (Department);
- . providing appropriate aviation infrastructure and operation of airways and airport services (Airservices and FAC);
- . developing, implementing and enforcing aviation safety and security standards, and investigating aviation accidents and incidents (CASA, Aviation Operations sub-program and BASI);
- . setting national road safety standards and administering research in road safety issues (FORS);
- . operating the national railways systems (AN and NR);
- . operating the national shipping line (ANL);
- . providing national marine navigation aids and maritime safety and regulatory services, and protecting the marine environment (AMSA);
- . developing and implementing the Government's shipping industry reform measures (Department);
- . providing funding and planning assistance to a range of organisations for regional development activities (Department); and
- . administering financial assistance grants to the States for the construction, development and maintenance of the National Highways System (Department).

## CHANGES IN PROGRAM STRUCTURE AND MAJOR EVENTS

The following changes have occurred to the portfolio program structure since the publication of the PBS 1995-96: Transport Portfolio.

### 1. Aviation

- . The Aviation, Policy, Security and Infrastructure sub-program (formerly 1.1) has been split into two sub-programs. Aviation Policy is 1.1 and Aviation Operations is 1.2. With renumbering of sub-programs, Investigating for Safety is now 1.3 (formerly 1.2), the International Air Services Commission is now 1.4 (formerly 1.3). With the abolition of the Civil Aviation Authority (formerly 1.4) on 6 July 1995, two new bodies have been created. The Civil Aviation Safety Authority is 1.5 and Airservices Australia is 1.7. The Federal Airports Corporation is now 1.6 (formerly 1.5). The former sub-program 1.6, Qantas, is no longer part of the portfolio structure following the listing on the Australian Stock Exchange, on 31 July 1995, of the Commonwealth's remaining 75% equity in the company.

### 3. Maritime

- . Two sub-programs in Maritime have been renumbered. The Australian Maritime Safety Authority is now 3.2 (formerly 3.3) and ANL Limited is now 3.3 (formerly 3.2).

### 4. Regional Development

- . Following the Administrative Arrangements Order of 11 March 1996, the Regional Development functions of the former Department of Housing And Regional Development (HRD) were added to the former Department of Transport to produce the Department of Transport and Regional Development. The sub-program is 4.1, Regional Development. In the 1995-96 PBS for the HRD Portfolio, the Regional Development Program included the following 3 sub-programs:

- 2.1 Regional Economic Development
- 2.2 Northern Development
- 2.3 Urban Management

### 5. Corporate Direction and Support

- . The program is now 5 (formerly 4).

## STRUCTURE OF THE PORTFOLIO

A schematic of the Portfolio structure is presented on the next page.

# TRANSPORT AND REGIONAL DEVELOPMENT PORTFOLIO

PROGRAM	SUB-PROGRAM
1. AVIATION	1.1 Aviation Policy 1.2 Aviation Operations 1.3 Investigating for Safety 1.4 International Air Services Commission * 1.5 Civil Aviation Safety Authority + 1.6 Federal Airports Corporation # 1.7 Airservices Australia +
2. LAND TRANSPORT	2.1 Road and Rail Policy Development 2.2 Federal Office of Road Safety 2.3 Australian National Railways Commission # ®
3. MARITIME	3.1 Maritime ** 3.2 Australian Maritime Safety Authority + 3.3 ANL Limited #
4. REGIONAL DEVELOPMENT	4.1 Regional Development
5. CORPORATE DIRECTION AND SUPPORT	5.1 Executive 5.2 Management Support and Advice 5.3 Research

# Non Budget funded agencies which are not required to introduce program budgeting.

+ Partially Budget funded agencies

\* Budget funded agencies.

\*\* Includes Seafarers Safety Rehabilitation and Compensation Authority (Seacare)

® A revenue supplement is provided to cover the Commission's operating deficit, and to fund concessions and specific capital infrastructure projects.

**TRANSPORT AND REGIONAL DEVELOPMENT PORTFOLIO**

**OUTLAYS SUMMARY TABLE**

1995-96 Budget (i) \$('000)	1995-96 Actual (ii) \$('000)	1996-97 Budget \$('000)	1997-98 Estimate \$('000)	1998-99 Estimate \$('000)	1999-2000 Estimate \$('000)
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**COMPONENTS OF  
APPROPRIATIONS**

Running Costs (iii)	106,850	100,513	91,916	76,443	74,235	74,665
Program Costs (excluding Running costs) (iv)	1,516,360	1,503,072	1,357,679	1,229,716	1,232,443	1,204,951
<b>Total Appropriations</b>	<b>1,623,210</b>	<b>1,603,585</b>	<b>1,449,595</b>	<b>1,306,159</b>	<b>1,306,678</b>	<b>1,279,616</b>
Less Adjustments (v)	(40,082)	(1,483,971)	(152,624)	(51,501)	(42,645)	(31,874)

<b>TOTAL OUTLAYS</b>	<b>1,583,128</b>	<b>119,614</b>	<b>1,296,971</b>	<b>1,254,658</b>	<b>1,264,033</b>	<b>1,247,742</b>
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**NB.** Figures relating to forward estimates for 1997-2000 are price adjusted to the expected price level in each year and are consistent with data published in Budget Paper No.1: "Budget Statements 1996-97".

- (i) As presented in the 1995-96 Budget documentation (May 1995).
- (ii) The 1995-96 Budget figures amended to include Additional Estimates and other revisions. These data should be consistent with actuals of the 1995-96 outcome by Portfolio in Budget Paper 1: "Budget Statements 1996-97".
- (iii) Expenditure funded from Section 35 Receipts is included in 1995-96, the deemed appropriations for 1996-97 to 1999-2000 are not included, this information can be seen at Tables 3.1 and 3.2.
- (iv) Includes Special Appropriations contributing to program costs (excluding Running Costs).
- (v) Adjustments to derive outlays, include receipt items classified as outlays, (ie three categories of receipts (money paid into the Public Account) are offset against appropriations in the calculation of outlays charges, repayments of advances (loans or equity) and proceeds from sale of capital assets), and net movements in trust account balances).

**PROGRAM RESOURCES TABLES**

Program	Sub - program	Outlays			Staffing	
		1995-96 Budget (i)	Actual	1996-97 Budget	1995-96 Actual	1996-97 Estimate
		\$( '000)	\$( '000)	\$( '000)	Staff Years	
1. Aviation	1.1 Aviation Policy (ii)	12,264	(1,451,458)	34,483	67.3	66.0
	1.2 Aviation Operations	115,315	72,853	112,483	72.6	71.8
	1.3 Investigating for Safety	8,946	10,168	10,124	85.8	84.8
	1.4 International Air Services	1,060	938	1,219	7.3	7.3
	1.5 Civil Aviation Safety Authority	81,405	96,726	55,323	-	-
	1.6 Federal Airports Corporation	-	-	(50,000)	-	-
	1.7 Airservices Australia	21,673	23,283	(26,722)	-	-
	<b>TOTAL</b>	<b>240,663</b>	<b>(1,247,492)</b>	<b>136,910</b>	<b>233.0</b>	<b>229.9</b>
2. Land Transport	2.1 Road and Rail Policy Development	913,848	914,282	814,870	81.4	75.1
	2.2 Federal Office of Road Safety	12,792	13,897	66,053	96.9	94.3
	2.3 Australian National Railways	35,000	74,340	30,142	-	-
	<b>TOTAL</b>	<b>961,640</b>	<b>1,002,520</b>	<b>911,065</b>	<b>178.3</b>	<b>169.4</b>
3. Maritime	3.1 Maritime	73,439	79,720	85,509	61.2	57.8
	3.3 Australian Maritime Safety Authority	55,060	50,647	45,563	-	-
	3.4 Australian National Line	-	-	-	-	-
	<b>TOTAL</b>	<b>128,500</b>	<b>130,367</b>	<b>131,072</b>	<b>61.2</b>	<b>57.8</b>
4. Regional Development	4.1 Regional Development	202,871	204,632	90,210	215.6	69.9
	<b>TOTAL</b>	<b>202,871</b>	<b>204,632</b>	<b>90,210</b>	<b>215.6</b>	<b>69.9</b>
5. Corporate Direction and Support	5.1 Executive	5,192	1,365	944	7.2	6.4
	5.2 Management Support and Advice	38,113	20,706	19,120	243.7	217.2
	5.3 Research	6,150	7,515	7,650	85.5	58.9
	<b>TOTAL</b>	<b>49,455</b>	<b>29,587</b>	<b>27,714</b>	<b>336.4</b>	<b>282.5</b>
<b>PORTFOLIO TOTAL</b>		<b>1,583,128</b>	<b>119,614</b>	<b>1,296,971</b>	<b>1,024.5</b>	<b>809.5</b>

(i) As presented in the 1995-96 Budget documentation.

(ii) The 1995-96 Actual Outlay includes receipts of \$1,460,380 from the sale of Qantas.

**BUDGET MEASURES AFFECTING PROGRAMS TABLE**

Measures Affecting Programs	Program	Estimated Effect on Outlays			
		1996-97	1997-98	1998-99	1999-00
		\$m	\$m	\$m	\$m
Contribution towards the development of runway extensions at Adelaide Airport	1	28.000	20.000		
Sydney Airport Noise Amelioration Program	1	2.267	(20.229)	79.332	74.627
Second Sydney Airport	1	(73.569)	4.000	1.350	0.350
Reduced appropriation for the Civil Aviation Safety Authority	1	(4.500)			
Airservices Australia Dividend	1	1.600	3.200	3.200	3.200
National Rail Infrastructure Authority	2	0	15.000	60.000	76.490
Remediation of contaminated land at Islington South Australia	2	2.000			
National Highway System	2	(48.000)	(70.000)	(85.000)	(135.000)
Federal Office of Road Safety - Public Education Program	2	(2.000)	(2.000)		
Black Spot Program	2	36.000	36.000	36.000	36.000
Redevelopment of the Road Vehicle Certification System	2	1.393	0.560		
Termination of Australian Motorcycle Council Grant	2	(0.010)	(0.010)	(0.010)	(0.010)
Termination of the Ships Capital Grants Scheme	3	1.950	(10.450)	(13.000)	(12.000)
Termination of the International Shipping Grants Scheme	3	0	(20.000)	(21.000)	(23.000)
Tasmanian Freight Equalisation Scheme assistance rates	3	(1.800)	(3.800)	(3.800)	(3.800)
Tasmanian Wheat Freight Subsidy	3	0.500	0.500	0.500	0.500
Bass Strait Passenger Vehicle Equalisation Scheme	3	7.500	8.500	8.500	8.500
Australian Maritime Safety Authority communication services	3	0	(0.830)	(0.830)	(0.830)

Measures Affecting Programs	Program	Estimated Effect on Outlays			
		1996-97	1997-98	1998-99	1999-00
		\$m	\$m	\$m	\$m
Regional Development and Urban Programs savings	4	(121.862)	(131.031)	(65.915)	(20.322)
Inveresk Development Project	4	3.000	3.000	1.000	
Provision for additional funding for Indigenous Health Related Infrastructure - Northern Territory	4	5.000	5.000		
Across-the-board reduction of 2% in Running Costs	Various	(2.469)	(2.515)	(2.369)	(2.340)
Application of efficiency dividend to Commonwealth Own Purpose Outlays (COPOS) and Special Purpose Payments (SPP) of a running costs nature					
- Remote Air Services Subsidy	1	(0.039)	(0.052)	(0.065)	(0.078)
- Road Safety Improvement Package	2	(0.195)	(0.244)		
- Regional Development Programs	4	(0.344)	(0.315)	(0.371)	(0.330)
Whole of Government Telecommunications		(0.071)	(0.145)	(0.167)	(0.185)
- Civil Aviation Safety Authority	1	(0.019)	(0.045)	(0.053)	(0.057)
- Australian Maritime Safety Authority	3				(0.010)
- Department	5	(0.052)	(0.100)	(0.114)	(0.118)

## **SECTION II**

# **PROGRAM ANALYSIS**

# PROGRAM 1: AVIATION

## Objective

Safe, secure and efficient air transport services and appropriate infrastructure, operating within acceptable environmental standards and responsive to user requirements.

<b>Resource Analysis</b>					
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<b>1995-96</b>	<b>1995-96</b>	<b>1995-96</b>	<b>1996-97</b>	<b>Variation</b>
	<b>Budget (i)</b>	<b>Budget,</b>	<b>Actual</b>	<b>Budget</b>	<b>[4]-[3]/[3]</b>
	<b>\$(‘000)</b>	<b>AEs</b>	<b>(ii)</b>	<b>\$(‘000)</b>	<b>%</b>
	<b>\$(‘000)</b>	<b>\$(‘000)</b>	<b>\$(‘000)</b>	<b>\$(‘000)</b>	<b>%</b>
<b>Special Appropriations</b>					
Program costs (excl. items funded from annual appropriations)	64,418	64,418	75,415	50,302	(33.3)
<b>Annual Appropriations</b>					
Running Costs - Salaries	11,622	15,862	15,696	16,985	8.2
- Other	7,916	9,731	9,118	9,040	(0.9)
Other program costs	161,809	167,693	117,752	167,429	42.2
<b>Total Appropriations</b>	<b>245,765</b>	<b>257,705</b>	<b>217,981</b>	<b>243,757</b>	<b>11.8</b>
<b>Less Adjustments (iii)</b>	(5,102)	(5,102)	(1,465,472)	(106,847)	(92.7)
<b>Total Outlays</b>	<b>240,663</b>	<b>252,603</b>	<b>(1,247,492)</b>	<b>136,910</b>	<b>(111.0)</b>
Staff Years	221.2	242.2	233.0	229.9	(1.3)

(i) As presented in the 1995-96 budget documentation (May 1995).

(ii) 1995-96 Budget figures amended to include Additional Estimates and other revisions, consistent with estimates of the 1995-96 financial outcome published in Budget paper No 1: "Budget Statements 1996-97".

(iii) Adjustments to derive outlays include receipt items classified as outlays. Three categories of receipts (money paid into the Public Account) are offset against appropriations in the calculation of outlays: Section 35 receipts, repayments of advances (loans and equity) and proceeds from the sale of assets.

## SUB-PROGRAM 1.1: AVIATION POLICY

### Objective

Effective management of the Government's interests in a safe, secure, efficient and internationally competitive aviation, to the benefit of Australians.

<b>Resource Analysis</b>					
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<b>1995-96</b>	<b>1995-96</b>	<b>1995-96</b>	<b>1996-97</b>	<b>Variation</b>
	<b>Budget</b>	<b>Budget'</b>	<b>Actual</b>	<b>Budget</b>	<b>[4]-[3]/[3]</b>
	<b>(i)</b>	<b>AEs</b>	<b>(ii)</b>		
	<b>\$( '000)</b>	<b>\$( '000)</b>	<b>\$( '000)</b>	<b>\$( '000)</b>	<b>%</b>
<b>Annual Appropriations</b>					
Running costs - Salaries	6,181	4,447	4,418	4,621	4.6
- Other	3,659	2,215	2,078	2,177	4.8
Sub-total	9,840	6,662	6,496	6,798	4.7
Other Program Costs					
- Air services - Subsidy	1,266	1,266	1,263	1,262	(0.1)
- International Civil Aviation Organisation					
- Contribution	1,188	1,188	1,162	1,188	2.2
- Contribution towards the development of runway extensions at Adelaide Airport	-	-	-	28,000	
Sub-total	2,454	2,454	2,425	30,450	1.156
<b>Total Appropriations</b>					
	<b>12,294</b>	<b>9,116</b>	<b>8,921</b>	<b>37,248</b>	<b>317.5</b>
<b>Less Adjustments (iii)</b>					
Miscellaneous	(10)	(5)	(1)	(5)	621.5
Section 35 of the <u>Audit Act 1901</u>	(20)	(15)	(31)	(15)	(52.0)
Qantas - proceeds from sale	-	-	(1,460,348)	(2,745)	(99.8)
<b>Total Outlays</b>					
	<b>12,264</b>	<b>9,096</b>	<b>(1,451,458)</b>	<b>34,483</b>	<b>(102.4)</b>
Staff Years	123.0	68.0	67.3	66.0	(1.9)

- (i) As presented in the 1995-96 budget documentation (May 1995).
- (ii) 1995-96 Budget figures amended to include Additional Estimates and other revisions, consistent with estimates of the 1995-96 financial outcome published in Budget paper No 1: "Budget Statements 1996-97".
- (iii) Adjustments to derive outlays include receipt items classified as outlays. Three categories of receipts (money paid into the Public Account) are offset against appropriations in the calculation of outlays: Section 35 receipts, repayments of advances (loans and equity) and proceeds from the sale of assets.

## SUB-PROGRAM 1.1: AVIATION POLICY

### Variations

<b>1995-96 Actual outlays (1,451,458)</b>	
<b>Budget Measure</b> - Contribution towards runway extensions at Adelaide Airport	28,000
<b>Budget Measure</b> - Service wide running costs savings	(94)
<b>Budget Measure - Budget Measure</b> - Application of efficiency dividend to COPOS and SPP of a running costs nature - Air services Subsidy	(39)
<b>Running costs</b>	
- Net effect of price indexation, efficiency dividend, carryovers and internal transfers. The derivation also reflects the allocation of Corporate overheads to sub-programs to better reflect actual program costs.	396
<b>Program Costs</b>	
- Air Services Subsidy - increase provides for indexation to 1996-97 prices	38
- International Civil Aviation Organisation contribution - exchange rate fluctuations	26
<b>Adjustments</b>	
- Section 35	(4)
- Miscellaneous	16
- Proceeds from sale of Qantas	1,457,603
Sub-total of variations	1,485,942
	<b>1996-97 Budget outlays 34,483</b>

### 1996-97 Budget Measures affecting portfolio outlays

#### Budget Measure - Contribution towards runway extensions at Adelaide Airport \$28,000,000

The Government has agreed to contribute to the costs of extending the main runway at Adelaide Airport. \$28m will be provided in 1996-97. A further amount of up to \$20m from the lease proceeds of the airport will be reimbursed to the South Australian Government to cover its development costs.

#### Budget Measure - Running Costs Savings (\$94,000)

The Government has decided to reduce running costs in this Budget by applying an across the board two per cent reduction in agencies' base running costs.

#### Budget Measure - Application of Efficiency Dividend to Commonwealth Own Purpose Outlays (COPOS) and Special Purpose Payments (SPP) of a running costs nature (\$39,000)

An efficiency dividend similar to that being applied to running costs has been applied to COPOS and SPPs which are of a running costs nature, but which have not previously been required to provide an efficiency dividend. This applies the same efficiency incentives to those elements of outlays as have been applied to other operating costs expenditure. The efficiency dividend is set at three percent in the first year with an annual one percent applied cumulatively thereafter.

### Performance Outcomes 1995-96

The aviation sub-program managed and promoted safe, secure and efficient air transport services and infrastructure.

- International air-services arrangements were negotiated, providing expanded opportunities that benefited Australian industry and consumers. International consultations remained constant. There were increases in the number of international airlines authorised to operate in Australia, both in total passenger capacity and in approvals for passenger and freight charter flights.

## SUB-PROGRAM 1.1: AVIATION POLICY

- Competition in the domestic and international aviation industry was fostered through exchanges with ACCC and APEC, liberalising the Australian International Aviation Charter policy guidelines and instituting new arrangements for increased seating levels and multiple designations.
- Significant change to regulatory structures occurred throughout 1995-96. The Civil Aviation Authority was replaced by the Civil Aviation Safety Authority and Airservices Australia. In May 1996 revised legislation was introduced to define the regulatory framework for the leased Federal airports. The proposed regulatory framework will cover the powers of airport operators, quality of service, environment strategies, land use, planning, and building controls and other regulatory measures.

### Performance Forecast 1996-97

#### Strategies

1. Establish revised policies, consistent with the Government's commitments, to expand international air services arrangements, providing greater opportunities for airlines to develop passenger and freight traffic to and from Australia, to the benefit of consumers and Australian aviation and non-aviation industries.
2. Work with competition and other economic agencies to ensure domestic airport and aviation markets (including under the new airports regulatory regime) operate consistently with consumer interests, while meeting national social and community needs.
3. Scrutinise and reassess agency and business enterprise working relationships and performance.
4. Promote improved aviation-related trade relationships with the region.

#### Outlook

Key areas of activity in 1996-97 will include:

- Developing the Airports Bill 1996 and the regulatory regime implementing the public interest aspects of major airport operation following leasing.
- Establishing oversight and structural reform changes to airport pricing under private airport leasing.
- Establishing and implementing the Government's international bilateral and multilateral aviation policies, including consideration of
  - the Single Aviation Market with New Zealand
  - negotiations with key bilateral aviation partners
  - formation of possible APEC aviation reform options
  - advice in relation to policy aspects of the International Air Services Commission (IASC).
- Improving consumer information on, and public confidence in, the aviation safety environment in Australia.
- Managing projects aimed at removing barriers to trade and focussing attention on the capabilities of Australia's aviation-related industries in the APEC region.
- Analysing and advising on major industry developments where the public interest requires eg FIRB consideration of the Ansett/Air New Zealand purchase; ownership and control of Australian designated international carriers.
- Analysing location-specific pricing options for air navigation services.
- Developing options, via Government/industry working groups, for introduction of demand management at Kingsford-Smith Airport.

## SUB-PROGRAM 1.2: AVIATION OPERATIONS

### Objective

Consistent with the Program objectives, a policy and operational framework for achieving:

- environmentally sensitive operation of aircraft and airports, in consultation with local communities;
- implementation of the Sydney Airport Noise Amelioration Program;
- development and maintenance of an effective aviation security regulatory regime; and
- development of a second major airport for Sydney.

<b>Resource Analysis</b>					
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<b>1995-96</b>	<b>1995-96</b>	<b>1995-96</b>	<b>1996-97</b>	<b>Variation</b>
	<b>Budget</b>	<b>Budget,</b>	<b>Actual</b>	<b>Budget</b>	<b>[4]-[3]/[3]</b>
	<b>(i)</b>	<b>AEs</b>	<b>(ii)</b>		<b>%</b>
	<b>\$(‘000)</b>	<b>\$(‘000)</b>	<b>\$(‘000)</b>	<b>\$(‘000)</b>	
<b>Annual Appropriations</b>					
Running costs - Salaries	-	4,778	4,755	5,457	14.8
- Other	-	2,977	2,739	2,736	(0.1)
Sub-total	-	7,755	7,494	8,193	9.3
<b>Other Program Costs</b>					
- Second Sydney Airport land acquisition and works	3,365	3,365	2,104	8,150	287.4
- Implementation of Noise Amelioration Program for Sydney Airport	105,000	105,000	62,516	83,150	33.0
- Contribution towards the development of Badgerys Creek Airport	6,950	6,950	784	-	(100.0)
- Sydney West Airport - Expenses for rental properties	-	-	-	1,000	
- Environmental impact studies for selection of Sydney Airport site	-	-	-	12,000	
Sub-total	115,315	115,315	65,403	104,300	59.5
<b>Total Appropriations</b>					
	<b>115,315</b>	<b>123,070</b>	<b>72,897</b>	<b>112,493</b>	<b>54.3</b>
<b>Less Adjustments (iii)</b>					
Miscellaneous	-	(5)	(40)	(5)	(87.4)
Section 35 of the <u>Audit Act 1901</u>	-	(5)	(5)	(5)	3.4
<b>Total Outlays</b>					
	<b>115,315</b>	<b>123,060</b>	<b>72,853</b>	<b>112,483</b>	<b>(23.3)</b>
Staff Years	-	74.0	72.6	71.8	(1.1)

(i) As presented in the 1995-96 budget documentation (May 1995)

(ii) 1995-96 Budget figures amended to include Additional Estimates and other revisions, consistent with estimates of the 1995-96 financial outcome published in Budget paper No 1: "Budget Statements 1996-97".

(iii) Adjustments to derive outlays include receipt items classified as outlays. Three categories of receipts (money paid into the Public Account) are offset against appropriations in the calculation of outlays: Section 35 receipts, repayments of advances (loans and equity) and proceeds from the sale of assets.

## SUB-PROGRAM 1.2: AVIATION OPERATIONS

### Variations

	<b>1995-96 Actual outlays</b>	<b>72,853</b>
<b>Budget Measure</b> - Sydney Airport Noise Amelioration Program		2,267
<b>Budget Measure</b> - Second Sydney Airport		(73,569)
<b>Budget Measure</b> - Service wide running costs savings		(104)
<b>Running costs</b>		
- Net effect of price indexation, efficiency dividend, carryovers and internal transfers. The derivation also reflects the allocation of Corporate overheads to sub-programs to better reflect actual program costs.		803
<b>Program Costs</b>		
- Second Sydney Airport land acquisition & works		42,615
- Implementation of Noise Amelioration Program for Sydney Airport		18,367
- Contribution towards the development of Badgerys Creek Airport - Nil requirement to provide funds for airport construction in 1996-97.		49,216
<b>Adjustments</b>		
- Miscellaneous		35
Sub-total of variations		39,630
	<b>1996-97 Budget outlays</b>	<b>112,483</b>

### 1996-97 Budget Measures affecting portfolio outlays

#### Budget Measure - Sydney Airport Noise Amelioration Program \$2,267,000

This measure provides additional funding to meet the election commitment to continue the existing noise amelioration program and extend the program to commence coverage of areas affected by east-west runway operations.

#### Budget Measure - Second Sydney Airport (\$73,569,000)

The Budget includes \$21.15 million to cover both environmental and other studies at Holsworthy and Badgerys Creek and land acquisition and site management at Badgerys Creek. Significant savings on previous forward estimates result from nil provision for airport construction in 1996-97.

#### Budget Measure - Running Costs Savings (\$104,000)

The Government has decided to reduce running costs in this Budget by applying an across the board two per cent reduction in agencies' base running costs.

## **SUB-PROGRAM 1.2: AVIATION OPERATIONS**

### **Performance Outcomes 1995-96**

During 1995-96 the sub-program has implemented a number of measures to ensure that the development and operation of air transport facilities and services are both secure and minimise adverse environmental impacts.

- The sub-program has commenced a process for environmental assessment of the Badgerys Creek and Holsworthy sites for Sydney's second major airport. In addition to the preparation of an EIS, the sub-program will undertake an airport planning and design study, a financial feasibility study and extensive community consultation.
- The sub-program has been responsible for implementing a range of measures to reduce and more equitably share aircraft noise associated with the operation of Sydney (Kingsford Smith) Airport. These include establishment of new curfew arrangements, contributing to the preparation (by Airservices Australia) of a long term operating plan for the Airport and associated airspace, the repeal of mandatory flight corridors for the area north of the Airport, and significant progress (in association with the Department of Administrative Services) with implementation of the Noise Amelioration Program.
- The sub-program implemented new security controls on the carriage of export air cargo. A comprehensive program of security audits confirmed continuing improvements in aviation security arrangements adopted by both airlines and airport operators.

### **Performance Forecast 1996-97**

#### Strategies

1. Manage and consult widely on a range of studies to enable a decision to be made on the site and scale of initial development of Sydney's second major airport.
2. Work with portfolio aviation authorities and airport and community consultation committees to minimise the impact of aircraft noise on communities in the vicinity of airports.
3. Continue to assess effectiveness of current aviation security requirements and associated intelligence dissemination, training promotion, and security exercise activities; and monitor industry implementation of requirements.

#### Outlook

Key outputs will be:

- Completion of a draft Environmental Impact Statement for the second Sydney Airport by early 1997 and completion of a final EIS and financial feasibility study to enable consideration by the Government as soon as practicable thereafter.
- Contribution to the development of stable long term operating arrangements for Sydney (Kingsford Smith) Airport.
- Substantial further progress in implementation of the Sydney Airport Noise Amelioration Program including commencement of residential insulation in the area to the west of the Airport.
- Continuing development of aviation security planning for the Sydney 2000 Olympic Games, maintenance of the program of security audits of airports and airlines, and extension to registered cargo agents.

## SUB-PROGRAM 1.3: INVESTIGATING FOR SAFETY

### Objective

Safe aviation promoted by disseminating information and safety recommendations and results of research.

<b>Resource Analysis</b>					
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<b>1995-96</b>	<b>1995-96</b>	<b>1995-96</b>	<b>1996-97</b>	<b>Variation</b>
	<b>Budget (i)</b>	<b>Budget,</b>	<b>Actual</b>	<b>Budget</b>	<b>[4]-[3]/[3]</b>
	<b>\$('000)</b>	<b>\$('000)</b>	<b>(ii)</b>	<b>\$('000)</b>	<b>%</b>
	<b>\$('000)</b>	<b>\$('000)</b>	<b>\$('000)</b>	<b>\$('000)</b>	<b>%</b>
<b>Annual Appropriations</b>					
Running costs - Salaries	4,945	6,017	5,966	6,211	4.1
- Other	3,691	4,001	3,917	3,603	(8.0)
Sub-total	8,636	10,019	9,883	9,814	(0.7)
Other Program Costs					
- Search and Rescue	380	330	329	380	15.3
<b>Total Appropriations</b>	<b>9,016</b>	<b>10,349</b>	<b>10,212</b>	<b>10,194</b>	<b>(0.2)</b>
<b>Less Adjustments(iii)</b>					
Miscellaneous	-	-	(4)	-	(100.0)
Section 35 of the <u>Audit Act 1901</u>	(70)	(70)	(41)	(70)	71.7
<b>Total Outlays</b>	<b>8,946</b>	<b>10,279</b>	<b>10,168</b>	<b>10,124</b>	<b>(0.4)</b>
Staff Years	89.6	90.6	85.8	84.8	(1.1)

(i) As presented in the 1995-96 budget documentation (May 1995).

(ii) 1995-96 Budget figures amended to include Additional Estimates and other revisions, consistent with estimates of the 1995-96 financial outcome published in Budget paper No 1: "Budget Statements 1996-97".

(iii) Adjustments to derive outlays include receipt items classified as outlays. Three categories of receipts (money paid into the Public Account) are offset against appropriations in the calculation of outlays: Section 35 receipts, repayments of advances (loans and equity) and proceeds from the sale of assets.

## SUB-PROGRAM 1.3: INVESTIGATING FOR SAFETY

### Variations

	<b>1995-96 Actual outlays</b>	<b>10,168</b>
<b>Budget Measure</b> - Service wide running costs savings		(172)
<b>Running costs</b>		
- Net effect of price indexation, efficiency dividend, carryovers and internal transfers. The derivation also reflects the allocation of Corporate overheads to sub-programs to better reflect actual program costs.		103
<b>Program costs</b>		
Search and Rescue - Reduced expenditure in 1995-96 - this is an event driven activity and variations occurred due to reduction in the number of serious aviation accidents which warranted field investigation.		51
<b>Adjustments -</b>		
- Section 35 - Reduced revenue due to reduced receipts from commercial flight recorder reading activity, which is driven by industry demand.		(29)
- Miscellaneous		4
Sub-total of variations		(44)
	<b>1996-97 Budget outlays</b>	<b>10,124</b>

### 1996-97 Budget Measures affecting portfolio outlays

#### Budget Measure - Running Costs Savings (\$172,000)

The Government has decided to reduce running costs in this Budget by applying an across the board two per cent reduction in agencies' base running costs.

### Performance Outcomes 1995-96

In 1995-96 the Bureau of Air Safety Investigation successfully promoted safe aviation by disseminating information and safety recommendations.

- The Bureau was restructured to emphasise its proactive systems safety role. BASI has successfully concluded Memoranda of Understanding with the Civil Aviation Safety Authority (CASA) and Airservices Australia (AA) covering working arrangements.
- Additional resources enabled the Bureau to complete a number of outstanding air safety occurrence investigations and to establish a more timely report production process. 87% of the responses received from CASA, AA and the aviation industry to BASI recommendations were assessed by BASI as acceptable. Of significance was CASA's response to introduce an Airborne Collision Avoidance System (ACAS).
- The Bureau maintained the highest quality standards possible in gathering, sharing and disseminating important safety information. BASI provided significant input into judicial inquiries and international forums on air safety.

### Performance Forecast 1996-97

#### Strategies

1. Investigate selected aviation occurrences, conduct research into issues of aviation safety and, where appropriate, make recommendations for change.
2. Produce and distribute aviation safety information to the Government, the aviation community and the general public.
3. Contribute to and participate in key domestic and international aviation safety forums.

## **SUB-PROGRAM 1.3: INVESTIGATING FOR SAFETY**

4. Complement the work of the CASA and AA to contribute to more effective safety management of the Australian aviation system.

### Outlook

Key areas of activity will include:

- Undertaking selective air safety investigations, furthering the policy of increased emphasis on investigation of accidents and incidents where failures in a system or organisation have been identified as major contributing factors.
- Continuing the policy of field investigations of major accidents with greater emphasis on occurrences where fare paying passengers are involved, and desk investigations of lesser incidents.
- Upgrading the Bureau's analysis capability into aviation safety, utilising an improved data base on reports of accidents and incidents.
- Publishing and distributing the Bureau's safety studies and occurrence reports and the safety journal Asia-Pacific Air Safety, and seeking further dissemination of Bureau derived safety information through publication in specialist aviation associations' news letters and the aviation press.
- Re-locating the Bureau's Confidential Aviation Incident Reporting program from Brisbane to Canberra to provide for improved reporting and dissemination of information on potential threats to aviation safety.
- Participating in specialised aviation safety forums to collect, disseminate and exchange safety information.
- Ensuring that the roles of CASA and AA are evaluated in the Bureau's air safety investigation and research activities, and where appropriate making recommendations to rectify any deficiencies identified.

## SUB-PROGRAM 1.4: INTERNATIONAL AIR SERVICES COMMISSION

### Objective

International aviation rights, allocated among Australian carriers so as to foster:

- . greater economic efficiency in the airline industry, and increased competition between Australian carriers;
- . increased responsiveness by airlines to the needs of consumers, including an increased range of choices and benefits;
- . Australian tourism and trade; and
- . the maintenance of Australian carriers capable of competing effectively with airlines of foreign countries.

<b>Resource Analysis</b>					
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<b>1995-96</b>	<b>1995-96</b>	<b>1995-96</b>	<b>1996-97</b>	<b>Variation</b>
	<b>Budget</b>	<b>Budget,</b>	<b>Actual</b>	<b>Budget</b>	<b>[4]-[3]/[3]</b>
	<b>(i)</b>	<b>AEs</b>	<b>(ii)</b>		
	<b>\$(‘000)</b>	<b>\$(‘000)</b>	<b>\$(‘000)</b>	<b>\$(‘000)</b>	<b>%</b>
<b>Annual Appropriations</b>					
Running costs - Salaries	496	620	557	697	25.1
- Other	566	539	384	524	36.4
Sub-total	1,062	1,158	941	1,221	29.7
<b>Total Appropriations</b>	<b>1,062</b>	<b>1,158</b>	<b>941</b>	<b>1,221</b>	<b>29.7</b>
<b>Less Adjustments (iii)</b>					
Section 35 of the <u>Audit Act 1901</u>	(2)	(2)	(4)	(2)	(45.0)
<b>Total Outlays</b>	<b>1,060</b>	<b>1,156</b>	<b>938</b>	<b>1,219</b>	<b>30.0</b>
Staff Years	8.5	9.5	7.3	7.3	0.5

(i) As presented in the 1995-96 budget documentation (May 1995).

(ii) 1995-96 Budget figures amended to include Additional Estimates and other revisions, consistent with estimates of the 1995-96 financial outcome published in Budget paper No 1: "Budget Statements 1996-97".

(iii) Adjustments to derive outlays include receipt items classified as outlays. Three categories of receipts (money paid into the Public Account) are offset against appropriations in the calculation of outlays: Section 35 receipts, repayments of advances (loans and equity) and proceeds from the sale of assets.

## SUB-PROGRAM 1.4: INTERNATIONAL AIR SERVICES COMMISSION

### Variations

	1995-96 Actual outlay	938
<b>Budget Measure</b> - Service wide running costs savings		(30)
<b>Running costs</b>		
- Net effect of price indexation, efficiency dividend, carryovers and internal transfers. The derivation also reflects the allocation of Corporate overheads to sub-programs to better reflect actual program costs.		309
<b>Adjustments</b>		
- Section 35 - sale of surplus assets in 1995-96.		2
Sub-total of variations		281
	<b>1996-97 Budget outlay</b>	<b>1,219</b>

### 1996-97 Budget Measures affecting portfolio outlays

#### Budget Measure - Running Costs Savings (\$30,000)

The Government has decided to reduce running costs in this Budget by applying an across the board two per cent reduction in agencies' base running costs.

### Performance Outcomes 1995-96

- Work was completed on those routes that were under consideration at the end of the 1994-95 financial year.
- All new capacity negotiated within the 1995-96 financial year was advertised.
- The Commission completed work on 16 Determinations, 8 Draft Determinations and 12 Decisions in the 1995-96 financial year.
- The Commission continued to liaise with the Department and industry to ensure its work program met the commercial needs of the industry as well as serving the national interest.
- The Commission undertook a review of its procedures for allocating capacity including renewal of determinations.
- In accordance with requirements under the International Air Services Commission Act 1992 the Commission also commenced consideration of Section 54 Renewals.

### Performance Forecast 1996-97

#### Strategies

1. Provide a transparent decision-making process which is fair to applicants and persons wishing to make submissions, is well known to all potentially interested parties, and embodies the highest degree of integrity.
2. Provide outcomes which are consistent with the IASC Act and the Minister's Policy Statement, which are responsive to industry needs and which promote the growth of effective competition.

## **SUB-PROGRAM 1.4: INTERNATIONAL AIR SERVICES COMMISSION**

3. In making decisions, act with little formality as possible and as quickly as is appropriate, given legislative requirements and the need to properly consider matters before the Commission.
4. Provide timely advice on any international aviation issues which may be referred to the Commission by the Minister for Transport and Regional Development.

### Outlook

Key activities for 1996-97 will include:

- Completing consideration of uncontested applications for capacity within six weeks of receipt by the Commission, and contested applications as quickly as the process permits.
- Advertising the availability of new capacity on specific routes at regular intervals, and no more than eight weeks following advice from the Department of completed capacity negotiations.
- Completing the review of all Section 54 allocations by the due date of 30 June 1997 and the commencement of reviews of other Determinations as they fall due after January 1997.
- Maintaining effective liaison with industry and the Department to ensure the Commission's work program meets the commercial needs of industry as well as serving the national interest by encouraging the growth of effective competition.
- Continuously monitoring the effectiveness of the Commission's procedures and varying them where necessary.
- Keeping tight control on costs to ensure that the Commission works within Budget.

## SUB-PROGRAM 1.5: CIVIL AVIATION SAFETY AUTHORITY

The Civil Aviation Safety Authority (CASA) receives Budget funding for the costs of aviation safety regulation that have been identified as benefitting the general public. Other safety regulatory costs are financed through duty on aviation fuels and direct fees and charges on the aviation industry. Aviation fuels duty is collected by the Australian Customs Service (ACS) and credited to the Consolidated Revenue Fund (CRF), and then paid to CASA through the Departmental Special Appropriation.

The CASA's financial statements are incorporated in its annual report.

The CASA receives some amounts from the Budget. These are shown below.

<b>Resource Analysis</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<b>1995-96</b>	<b>1995-96</b>	<b>1995-96</b>	<b>1996-97</b>	<b>Variation</b>
	<b>Budget</b>	<b>Budget,</b>	<b>Actual</b>	<b>Budget</b>	<b>[4]-[3]/[3]</b>
	<b>(i)</b>	<b>AEs</b>	<b>(ii)</b>		
	<b>\$( '000)</b>	<b>\$( '000)</b>	<b>\$( '000)</b>	<b>\$( '000)</b>	<b>%</b>
<b>Special Appropriations</b>					
<u>Aviation Fuel Revenues (Special Appropriation) Act 1988</u>	46,818	46,818	56,205	32,242	(42.6)
<b>Annual Appropriations</b>					
Other Program Costs					
- For expenditure under the <u>Civil Aviation Act 1988</u>	34,587	40,521	40,521	23,081	(43.0)
<b>Total Appropriations</b>	<b>81,405</b>	<b>87,339</b>	<b>96,726</b>	<b>55,323</b>	<b>(42.8)</b>

(i) As presented in the 1995-96 budget documentation (May 1995).

(ii) 1995-96 Budget figures amended to include Additional Estimates and other revisions, consistent with estimates of the 1995-96 financial outcome published in Budget paper No 1: "Budget Statements 1996-97".

### Variations

	<b>1995-96 Actual outlays</b>	<b>96,726</b>
<b>Budget Measure</b> - Reduced expenditure for the Civil Aviation Safety Authority		(4,500)
<b>Budget Measure</b> - Service wide running costs savings		(597)
<b>Budget Measure</b> - Whole of Government Telecommunications		(19)
<b>Program costs</b>		
- <u>Aviation Fuel Revenues (Special Appropriation) Act 1988</u> - decrease in estimated revenue is due to proposed reductions in the rate of duty to offset over-recovery for 1995-96 and one-off establishment costs for 1995-96.		(23,963)
- For expenditure under the <u>Civil Aviation Act 1988</u> - reduced Government contribution reflects non-recurring costs for 1995-96, in particular CASA establishment costs and a contribution to the CAA Staff Superannuation Fund. The item is also subject to price indexation and the efficiency dividend.		(12,324)
Sub-total of variations		(41,403)
	<b>1996-97 Budget outlays</b>	<b>55,323</b>

## **SUB-PROGRAM 1.5: CIVIL AVIATION SAFETY AUTHORITY**

### **1996-97 Budget Measures affecting portfolio outlays**

#### Budget Measure - Reduced expenditure for the Civil Aviation Safety Authority (\$4,500,000)

The annual appropriation will be reduced in 1996-97 due to under expenditure by CASA in 1995-96.

#### Budget Measure - Running Costs Savings (\$597,000)

The Government has decided to reduce running costs in this Budget by applying an across the board two per cent reduction in agencies' base running costs.

#### Budget Measure - Whole of Government Telecommunications (\$19,000)

Running costs for departments and agencies have been reduced by estimated minimum savings expected to be generated by Whole of Government initiatives in telecommunications purchasing, wide area voice networks and wide area data networks.

## SUB-PROGRAM 1.6: FEDERAL AIRPORTS CORPORATION

The Federal Airports Corporation (FAC) is an "off Budget" Authority and accordingly does not provide objectives and financial details in the context of the Portfolio Budget Statements. However, it will make a capital repayment to the Commonwealth during 1996-97.

The FAC's financial statements are incorporated in its Annual Report.

In 1995-96, the FAC paid a dividend of \$19 million to the Commonwealth. Estimates for 1996-97 dividends payable by individual transport GBEs are included in a global estimate of \$27.8 million.

As a commercial entity, the FAC also pays those Commonwealth taxes levied on businesses, plus State payroll taxes.

	1	2	3	4	5
	1995-96 Budget (i) \$('000)	1995-96 Budget, AEs \$('000)	1995-96 Actual (ii) \$('000)	1996-97 Budget \$('000)	Variation [4]-[3]/[3] %
<b>Adjustments (iii)</b>					
FAC Capital repayment	-	-	-	(50,000)	100.0
<b>Total Outlays</b>	-	-	-	<b>(50,000)</b>	<b>100.0</b>

(i) As presented in the 1995-96 budget documentation (May 1995).

(ii) 1995-96 Budget figures amended to include Additional Estimates and other revisions, consistent with estimates of the 1995-96 financial outcome published in Budget paper No 1: "Budget Statements 1996-97".

(iii) Adjustments to derive outlays include receipt items classified as outlays. Three categories of receipts (money paid into the Public Account) are offset against appropriations in the calculation of outlays: Section 35 receipts, repayments of advances (loans and equity) and proceeds from the sale of assets.

### Variations

	1995-96 Actual outlays	0
<b>Program costs</b>		
- FAC Capital repayment - The FAC was given an equity injection of \$47 million in April 1992, specifically to undertake construction of Stage 1 of Sydney West Airport at Badgerys Creek. Responsibility for the development of Sydney West Airport has now been transferred to the Department of Transport and Regional Development. The FAC is to repay the outstanding balance of the equity injection, adjusted for expenditure incurred, notional interest and miscellaneous revenue received.		(50,000)
Sub-total of variations		(50,000)
	<b>1996-97 Budget outlays</b>	<b>(50,000)</b>

## SUB-PROGRAM 1.7: AIRSERVICES AUSTRALIA

Airservices Australia receives Budget funding for search and rescue services. Some other costs are financed through duty on aviation fuels. Aviation fuels duty is collected by the Australian Customs Service (ACS) and credited to the Consolidated Revenue Fund (CRF), and then paid to Airservices through the Departmental Special Appropriation.

Airservices' financial statements are incorporated in its annual report.

In 1995-96 Airservices paid an interim dividend of \$9 million to the Commonwealth. Estimates of 1996-97 dividends payable by individual transport GBEs are included in a global estimate of \$27.8 million.

As a commercial entity Airservices also pays those Commonwealth taxes levied on businesses, plus State payroll taxes.

Airservices receives some amounts from the Budget. These are shown below.

<b>Resource Analysis</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<b>1995-96</b>	<b>1995-96</b>	<b>1995-96</b>	<b>1996-97</b>	<b>Variation</b>
	<b>Budget</b>	<b>Budget,</b>	<b>Actual</b>	<b>Budget</b>	<b>[4]-[3]/[3]</b>
	<b>(i)</b>	<b>AEs</b>	<b>(ii)</b>		
	<b>\$(‘000)</b>	<b>\$(‘000)</b>	<b>\$(‘000)</b>	<b>\$(‘000)</b>	<b>%</b>
<b>Special Appropriations</b>					
<u>Aviation Fuel Revenues (Special Appropriation) Act 1988</u>	17,600	17,600	19,210	18,060	(6.0)
<b>Annual Appropriations</b>					
Other Program Costs					
- For expenditure under the <u>Air Services Act 1995</u>	9,073	9,073	9,073	9,218	1.6
Sub-total	26,673	26,673	28,283	27,278	(3.6)
<b>Less Adjustments (iii)</b>					
Airservices Australia - Repayment	(5,000)	(5,000)	(5,000)	(5,000)	0.0
Airservices Australia - Capital Repayment	-	-	-	(49,000)	
<b>Total</b>	<b>21,673</b>	<b>21,673</b>	<b>23,283</b>	<b>(26,722)</b>	<b>(214.8)</b>

(i) As presented in the 1995-96 budget documentation (May 1995).

(ii) 1995-96 Budget figures amended to include Additional Estimates and other revisions, consistent with estimates of the 1995-96 financial outcome published in Budget paper No 1: "Budget Statements 1996-97".

(iii) Adjustments to derive outlays include receipt items classified as outlays. Three categories of receipts (money paid into the Public Account) are offset against appropriations in the calculation of outlays: Section 35 receipts, repayments of advances (loans and equity) and proceeds from the sale of assets.

## SUB-PROGRAM 1.7: AIRSERVICES AUSTRALIA

### Variations

	<b>1995-96 Actual outlays</b>	<b>23,283</b>
<b>Program costs</b>		
- Aviation Fuel Revenues ( <u>Special Appropriation</u> ) Act 1988 - reduced estimate reflects the net effect of a change in payment cycles to Airservices and assumptions about consumption and indexation of the rate of fuels duty during 1996-97.		(1,150)
- For expenditure under the <u>Air Services Act 1995</u> - increase is due to indexation to 1996-97 prices.		145
<b>Adjustments</b>		
- Airservices Australia - Capital repayment - Subsequent to a capital structure review to identify a capital structure consistent with commercial criteria and the particular objectives of Airservices, it was agreed that Airservices would make a capital repayment to the Commonwealth.		(49,000)
Sub-total of variations		(50,005)
<b>1996-97 Budget outlays</b>		<b>(26,722)</b>

### Budget Measure - Airservices Australia Dividend

Airservices Australia is expected to pay increased dividends in future years as it increases earnings through general efficiency improvements, progressive withdrawal from the provision of non-essential services and increased contracting out of non core business functions.

## PROGRAM 2: LAND TRANSPORT

### Objective

A safe, efficient and innovative land transport sector, complying with Government policies on the environment and responsive to user requirements.

<b>Resource Analysis</b>					
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<b>1995-96</b>	<b>1995-96</b>	<b>1995-96</b>	<b>1996-97</b>	<b>Variation</b>
	<b>Budget</b>	<b>Budget,</b>	<b>Actual (ii)</b>	<b>Budget</b>	<b>[4]-[3]/[3]</b>
	<b>(i)</b>	<b>AEs</b>			
	<b>\$(‘000)</b>	<b>\$(‘000)</b>	<b>\$(‘000)</b>	<b>\$(‘000)</b>	<b>%</b>
<b>Special Appropriations</b>					
Program costs (excl. items funded from annual appropriations)	849,760	849,760	862,906	851,453	(1.3)
<b>Annual Appropriations</b>					
Running Costs - Salaries	8,248	11,848	11,666	11,119	(4.7)
- Other	5,003	6,366	6,127	5,593	(8.7)
Other program costs	110,505	151,344	130,386	54,569	(58.1)
<b>Total Appropriations</b>	<b>973,516</b>	<b>1,019,318</b>	<b>1,011,085</b>	<b>922,734</b>	<b>(8.7)</b>
<b>Less Adjustments (iii)</b>	(11,876)	(11,876)	(8,565)	(11,669)	36.2
<b>Total Outlays</b>	<b>961,640</b>	<b>1,007,442</b>	<b>1,002,520</b>	<b>911,065</b>	<b>(9.1)</b>
Staff Years	170.2	178.2	178.3	169.4	(5.0)

(i) As presented in the 1995-96 budget documentation (May 1995).

(ii) 1995-96 Budget figures amended to include Additional Estimates and other revisions, consistent with estimates of the 1995-96 financial outcome published in Budget paper No 1: "Budget Statements 1996-97".

(iii) Adjustments to derive outlays include receipt items classified as outlays. Three categories of receipts (money paid into the Public Account) are offset against appropriations in the calculation of outlays: Section 35 receipts, repayments of advances (loans and equity) and proceeds from the sale of assets.

## SUB-PROGRAM 2.1: ROAD AND RAIL POLICY DEVELOPMENT

### Objective

A policy framework to enable:

- . access to competitive and reliable road and rail transport services, operating under nationally consistent regulatory and safety regimes;
- . funding of road and rail infrastructure that is provided efficiently and which supports the improved performance of nationally important transport corridors;
- . National Rail and Australian National to meet their service and other obligations to stakeholders consistent with government policies and objectives for these bodies and their industry sector; and
- . efficient administration of the Australian Land Transport Development Act 1988.

<b>Resource Analysis</b>					
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<b>1995-96</b>	<b>1995-96</b>	<b>1995-96</b>	<b>1996-97</b>	<b>Variation</b>
	<b>Budget</b>	<b>Budget,</b>	<b>Actual (ii)</b>	<b>Budget</b>	<b>[4]-[3]/[3]</b>
	<b>(i)</b>	<b>AEs</b>			
	<b>\$(‘000)</b>	<b>\$(‘000)</b>	<b>\$(‘000)</b>	<b>\$(‘000)</b>	<b>%</b>
<b>Special Appropriations</b>					
<u>Australian Land Transport Development Act 1988</u>	834,760	834,760	833,940	803,453	(3.7)
<u>Interstate Road Transport Act 1985 (iv)</u>	15,000	15,000	28,866	-	(100.0)
Sub-total	849,760	849,760	862,906	803,453	(6.9)
<b>Annual Appropriations</b>					
Running costs - Salaries	4,193	5,496	5,339	5,107	(4.3)
- Other	2,113	2,777	2,504	2,385	(4.7)
Sub-total	6,305	8,273	7,842	7,492	(4.5)
<b>Other Program Costs</b>					
- Free or concessional fares	3,970	5,469	5,468	5,094	(6.8)
- Establishment of and payment to the National Road Transport Commission (iv)	1,240	1,240	1,240	-	(100.0)
- Survey work - Alice Springs - Darwin rail link	1,200	1,200	1,123	-	(100.0)
- Contribution to the Organisation for Economic Cooperation and Development - Road Transport Research Program (iv)	55	55	32	-	(100.0)
- Funding for transport infrastructure	32,000	32,000	16,364	-	(100.0)
- Standardisation of Grain Branch Lines in South Australia	5,000	5,000	5,000	-	(100.0)
- National Rail Corporation - equity contribution	22,300	22,300	22,300	6,100	(72.6)
- Payment of amounts equal to penalties resulting from prosecutions under the <u>Interstate Road Transport Act 1985 (iv)</u>	300	300	290	-	(100.0)
- Payment to South Australia - Remediation of land, Islington Railyards for land sale	-	-	-	2,000	100.0
Sub-total	66,065	67,564	51,818	13,194	(74.5)
<b>Total Appropriations</b>	<b>922,130</b>	<b>925,597</b>	<b>922,566</b>	<b>824,139</b>	<b>(10.7)</b>

## SUB-PROGRAM 2.1: ROAD AND RAIL POLICY DEVELOPMENT

	1	2	3	4	5
	1995-96 Budget (i) \$('000)	1995-96 Budget, AEs \$('000)	1995-96 Actual (ii) \$('000)	1996-97 Budget \$('000)	Variation [4]-[3]/[3] %
<b>Less Adjustments (iii)</b>					
National Railway Network Agreement					
- Repayment	(7,711)	(7,711)	(7,711)	(8,697)	12.8
Railway Agreement (WA) - Repayment	(377)	(377)	(377)	(378)	0.3
Rail Standardisation Agreement (NSW/VIC)					
- Repayment	(192)	(192)	(192)	(192)	0.2
Section 35 of the <u>Audit Act 1901</u>	(2)	(2)	(4)	(2)	(45.1)
<b>Total Outlays</b>	<b>913,848</b>	<b>917,315</b>	<b>914,282</b>	<b>814,870</b>	<b>(10.9)</b>
Staff Years	81.9	86.9	81.4	75.1	(7.8)

- (i) As presented in the 1995-96 budget documentation (May 1995).
- (ii) 1995-96 Budget figures amended to include Additional Estimates and other revisions, consistent with estimates of the 1995-96 financial outcome published in Budget paper No 1: "Budget Statements 1996-97".
- (iii) Adjustments to derive outlays include receipt items classified as outlays. Three categories of receipts (money paid into the Public Account) are offset against appropriations in the calculation of outlays: Section 35 receipts, repayments of advances (loans and equity) and proceeds from the sale of assets.
- (iv) These items have been transferred to sub-program 2.2 Federal Office of Road Safety from 1 July 1996.

## SUB-PROGRAM 2.1: ROAD AND RAIL POLICY DEVELOPMENT

### Variations

<b>1995-96 Actual outlays</b>	<b>914,282</b>
<b>Budget Measure</b> - National Highway System	(48,000)
<b>Budget Measure</b> - Remediation of contaminated land at Islington South Australia	2,000
<b>Budget Measure</b> - Service wide running costs savings	(125)
<b>Running costs</b>	
- Net effect of price indexation, efficiency dividend, carryovers and internal transfers. The derivation also reflects the allocation of Corporate overheads to sub-programs to better reflect actual program costs.	(225)
<b>Program costs</b>	
- <u>Australian Land Transport Development Act 1988</u> - net effect of funding after Budget Measure.	17,513
- <u>Interstate Road Transport Act 1985</u> - transferred to sub-program 2.2 FORS.	(28,966)
- Free or concessional fares - estimated reduction in demand.	(374)
- Establishment of and payment to the National Road Transport Commission - transferred to sub-program 2.2 FORS.	(1,240)
- Contribution to the Organisation for Economic Cooperation and Development - Road Transport Research Program - transferred to sub-program 2.2 FORS.	(32)
- Survey work - Alice Springs - Darwin rail link	(1,123)
- Funding for transport infrastructure (Capital Works) - program completed in 1995-96.	(16,364)
- Standardisation of Grain Branch Lines in South Australia - program completed in 1995-96.	(5,000)
- National Rail Corporation - equity contribution - Payments made in accordance with schedule determined under National Rail Corporation Agreement Act	(16,200)
- Payment of amounts equal to penalties resulting from prosecutions under the <u>Interstate Road Transport Act 1985</u> - transferred to sub-program 2.2 FORS.	(290)
<b>Adjustments</b>	
- National Railway Network Agreement - Repayment - repayments made in accordance with agreed Loan Repayment Schedule.	(986)
- Railway Agreement (WA) - Repayment - repayments made in accordance with agreed Loan Repayment Schedule.	(1)
- Section 35	2
<b>Sub-total of variations</b>	<b>(99,412)</b>
<b>1996-97 Budget outlays</b>	<b>814,870</b>

### 1996-97 Budget Measures affecting portfolio outlays

#### Budget Measure - National Rail Infrastructure Authority

The Government will be negotiating with the States on the proposed establishment of a national rail infrastructure authority. Provision for an authority and associated costs has been made in the forward estimates from 1997-98 (refer Budget Measures Affecting Programs Table in Section I).

#### Budget Measure - Remediation of contaminated land at Islington South Australia \$2,000,000

The Commonwealth will contribute \$2m towards the remediation of the former railyards at Islington, SA. The remaining cost of this work will be met by SA Government, which will be able to recover its expenditure from the sale of the remediated land.

## SUB-PROGRAM 2.1: ROAD AND RAIL POLICY DEVELOPMENT

### Budget Measure - National Highway Funding (\$48,000,000)

The Federal Government has decided to reduce the overall level of its road funding by \$48m. The appropriation provided meets the election commitment to provide \$75m annually for the Pacific Highway. The Government has also announced a Parliamentary Inquiry to review the Federal road program. The Inquiry is due to report in November 1997.

### Budget Measure - Running Costs Savings (\$125,000)

The Government has decided to reduce running costs in this Budget by applying an across the board two per cent reduction in agencies' base running costs.

### **Performance Outcomes 1995-96**

The Commonwealth has played an integral role in developing national policies and regulations to facilitate industry and improve efficiency in land transport.

- In conjunction with the States and Territories, industry and the community, the Commonwealth has developed schemes for alternative compliance with road transport law for heavy vehicle operators. A Heads of Government agreement was also drafted establishing a national rail track authority to manage the interstate mainline network that will eliminate inefficiencies.
- The Department's involvement in the National Transport Policy Framework is aiding Transport Ministers to more effectively integrate the vehicle transport policies and infrastructure programs of all Australian States and Territories. The Infrastructure and Planning working groups are in the process of developing a nationally consistent approach for targeting transport infrastructure investments that provide the greatest national benefit.
- The land transport program contributes to broader national environmental and social objectives through projects such as the Accessible Public Transport Taskforce.
- Greater efficiency in resource use has been achieved through implementing new initiatives such as the national registration charges for heavy vehicles (that are more closely linked to the cost of road provision), as well as by promoting a national approach to road transport regulation.
- The Department has continued to improve the management of the National Highway program through the signing of maintenance performance agreements with the States and Territories, the strategic planning of road projects to maximise construction efficiency, and the tendering out of most road works.
- Following the announcement of the \$75m per annum funding for the Pacific Highway the Department negotiated Heads of Agreements for a 10 year upgrading program with NSW and Queensland. The Agreements provide for dollar for dollar funding by the Commonwealth and NSW and Queensland while the States continue to maintain their current expenditure. In conjunction with the relevant NSW and Queensland authorities programs of works to commence the 10 year upgrading have been developed.

# SUB-PROGRAM 2.1: ROAD AND RAIL POLICY DEVELOPMENT

## Performance Forecast 1996-97

### Strategies

1. In 1996-97 the sub-program will continue to develop national policies to promote a more competitive land transport sector and improve efficiency of road and rail transport infrastructure, operations and services. The sub-program will manage and target Federal Land Transport programs to maximise effectiveness and cost efficiency of the resources allocated to meet the Government's policy objectives of providing an efficient and cost competitive Land Transport Sector.

### Outlook

- The sub-program will develop recommendations for rail reform, and particularly that of the Commonwealth's role, and implement the Government's decisions on rail reform. These will seek to provide the best future for the businesses which now form AN, and further the commercialisation of NR.
- The Department will explore with State Governments the establishment of a possible national rail infrastructure body and the establishment of an interstate rail passenger body, consistent with the Government's election commitments.
- The initial year of the \$750m Pacific Highway Reconstruction program will be implemented focussing on Bulahdelah to Coolongolook, Brunswick Heads Bypass and developmental work on Billinudgel to Chinderah in NSW. In Queensland the focus will be on the construction of a new twin bridges over the Coomera River and new interchanges and upgrading to 6 lanes in the Nerang area.
- Following on from the first year's successful experience with maintenance performance agreements savings of 5% are expected in 1996-97. The ultimate goal is 20% savings in costs over four years while maintaining the existing condition of the National Highway to free up funding for capital works. The highlights on the National Highway expected in 1996-97 include the commencement of the Mt Barker Road project near Adelaide and the final works to eliminate the last of the narrow seal on the Victoria Highway in the Northern Territory and completion of the Western Ring Road in Melbourne.

## SUB-PROGRAM 2.2: FEDERAL OFFICE OF ROAD SAFETY

### Objective

A safer environment for road users through developing and implementing effective road safety policies that will help minimise deaths, injuries and crashes, and meet the Government's environmental and trade policy objectives.

<b>Resource Analysis</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<b>1995-96 Budget (i) \$('000)</b>	<b>1995-96 Budget, AEs \$('000)</b>	<b>1995-96 Actual (ii) \$('000)</b>	<b>1996-97 Budget \$('000)</b>	<b>Variation [4]-[3]/[3] %</b>
<b>Special Appropriations</b>					
Interstate Road Transport Act 1985 (iv)	-	-	-	12,000	100.0
Australian Land transport Development Act 1988	-	-	-	36,000	100.0
Sub-total	-	-	-	48,000	100.0
<b>Annual Appropriations</b>					
Running costs - Salaries	4,055	6,352	6,327	6,012	(5.0)
- Other	2,891	3,589	3,624	3,208	(11.5)
Sub-total	6,946	9,941	9,951	9,220	(7.3)
<b>Other Program Costs</b>					
- Establishment of and payment to the National Road Transport Commission (iv)	-	-	-	1,309	100.0
- Road safety improvement package	6,430	6,430	4,228	6,106	44.4
- Australian Motorcycle Council - Grant	10	10	-	-	
- Contribution to the Organisation for Economic Cooperation and Development - Road Transport Research Program (iv)	-	-	-	55	100.0
- Road Vehicle Certification System	-	-	-	1,393	100.0
- Payment of amounts equal to penalties resulting from prosecutions under the <u>Interstate Road Transport Act 1985</u> (iv)	-	-	-	250	100.0
Sub-total	6,440	6,440	4,228	9,113	115.5
<b>Total Appropriations</b>					
	<b>13,386</b>	<b>16,381</b>	<b>14,179</b>	<b>66,333</b>	<b>367.8</b>
<b>Less Adjustments (iii)</b>					
Section 35 of the <u>Audit Act 1901</u>	(594)	(594)	(281)	(280)	(0.3)
Miscellaneous	-	-	(1)	-	(100.0)
<b>Total Outlays</b>					
	<b>12,792</b>	<b>15,787</b>	<b>13,897</b>	<b>66,053</b>	<b>375.3</b>
Staff Years	88.3	91.3	96.9	94.3	(2.7)

(i) As presented in the 1995-96 budget documentation (May 1995).

(ii) 1995-96 Budget figures amended to include Additional Estimates and other revisions, consistent with estimates of the 1995-96 financial outcome published in Budget paper No 1: "Budget Statements 1996-97".

(iii) Adjustments to derive outlays include receipt items classified as outlays. Three categories of receipts (money paid into the Public Account) are offset against appropriations in the calculation of outlays: Section 35 receipts, repayments of advances (loans and equity) and proceeds from the sale of assets.

(iv) These items have been transferred from the Road and Rail Policy Development sub-program from 1 July 1996.

## SUB-PROGRAM 2.2: FEDERAL OFFICE OF ROAD SAFETY

### Variations

	<b>1995-96 Actual outlays</b>	<b>13,897</b>
<b>Budget Measure</b> - Federal Office of Road Safety - Public Education Program	(2,000)	
<b>Budget Measure</b> - Black Spot Program	36,000	
<b>Budget Measure</b> - Redevelopment of the Road Vehicle Certification System	1,393	
<b>Budget Measure</b> - Service wide running costs savings	(129)	
<b>Budget Measure</b> - <b>Budget Measure</b> - Application of efficiency dividend to COPOS and SPP of a running costs nature - Road Safety Improvement Package	(195)	
<b>Running costs</b>		
- Net effect of price indexation, efficiency dividend, carryovers and internal transfers. The derivation also reflects the allocation of Corporate overheads to sub-programs to better reflect actual program costs. Also reflects the completion of funding for the Enhanced Safety of Vehicles Conference and Passenger Vehicle Emissions Study and additional funds in 1996-97 for Road Transport Regulation function transferred from sub-program 2.1.	(601)	
<b>Program costs</b>		
- Establishment of and payment to the NRTC - This Program was transferred to sub-program 2.2 from sub-program 2.1 from 1 July 1996.	1,309	
- Road Safety Improvement Package - Major variations between 1995-96 outcome and 1996-97 Budget due to carryover including public education campaigns concerning speed and drink driving. Campaigns delayed due to election and delayed creation of new approval framework for media campaigns.	4,073	
- Contribution to the Organisation for Economic Cooperation and Development - Road Transport Research Program - This Program was transferred to sub-program 2.2 from sub-program 2.1 from 1 July 1996.	55	
- Payment of amounts equal to penalties resulting from prosecutions under the <u>Interstate Road Transport Act 1985</u> - This Program was transferred to sub-program 2.2 from sub-program 2.1 from 1 July 1996.	250	
- <u>Interstate Road Transport Act 1985</u> - This Program was transferred to sub-program 2.2 from sub-program 2.1 from 1 July 1996.	12,000	
<b>Adjustments</b>		
- Section 35 - 1995-96 included Enhanced Safety Vehicle conference	1	
- Miscellaneous	1	
<b>Sub-total of variations</b>		<b>52,156</b>
	<b>1996-97 Budget outlays</b>	<b>66,053</b>

## **SUB-PROGRAM 2.2: FEDERAL OFFICE OF ROAD SAFETY**

### **1996-97 Budget Measures affecting portfolio outlays**

#### Budget Measure - Federal Office of Road Safety - Public Education Program (\$2,000,000)

The Government has agreed to reduce the public education program by 50%.

#### Budget Measure - Black Spot Program \$36,000,000

The Government has announced a commitment of \$36 million annually for the implementation of a Federal Road Safety Black Spot Program. The Program will be targeted towards the treatment of the more serious crash locations throughout Australia with an emphasis on rural areas. In line with national policy objectives, the Program will seek to match rural road safety performance with that achieved in urban areas and will also involve wider consultation with the community to ensure local concerns are addressed.

#### Budget Measure - Redevelopment of the Road Vehicle Certification System \$1,393,000

The Government has agreed to provide funding for the next 2 years for the Road Vehicle Certification System. This redevelopment of the existing Motor Vehicle Certification System will provide a more efficient and cost effective means of processing applications for model approvals by the motor vehicle industry to ensure that vehicles sold in Australia and components produced for export meet Australian Design Rule requirements. The new system will also avoid the potential for costly failures of the existing system and provide for a significant streamlining of the process together with cost savings for industry through the use of electronic data interchange.

#### Budget Measure - Australian Motorcycle Council Grant (\$10,000)

A saving of \$10,000 per annum will result from the removal of the grant. The grant was not paid during 1994-95. The grant was used primarily to assist the Australian Motorcycle Council attend advisory committee meetings.

#### Budget Measure - Running Costs Savings (\$129,000)

The Government has decided to reduce running costs in this Budget by applying an across the board two per cent reduction in agencies' base running costs.

#### Budget Measure - Application of Efficiency Dividend to Commonwealth Own Purpose Outlays (COPOS) and Specific Purpose Payments (SPP) of a running costs nature (\$195,000)

An efficiency dividend similar to that being applied to running costs has been applied to COPOS and SPPs which are of a running costs nature, but which have not previously been required to provide an efficiency dividend. This applies the same efficiency incentives to those elements of outlays as have been applied to other operating costs expenditure. The efficiency dividend is set at three per cent in the first year with an annual one per cent applied cumulatively thereafter.

### **Performance Outcomes 1995-96**

In 1995-96 the Federal Office of Road Safety (FORS) has undertaken major projects that have created a safer environment for road users. Significant reductions in the level of road trauma were made from 1989 to 1994. Fatalities fell from 2,801 in 1989 to 1,940 in 1994. Unfortunately, the road toll rose in 1995 to 2,017.

- FORS has played a key role in developing and implementing integrated road safety strategies. The 1996 National Road Safety Plan and the National Rural Road Safety Action Plan were developed by FORS and received endorsement from Federal, State and Territory Ministers.

## SUB-PROGRAM 2.2: FEDERAL OFFICE OF ROAD SAFETY

- Research in FORS has been critical to new policy and public education campaigns. Research on rural road safety, community attitudes on speed, a report on young driver safety, a proposed offset barrier crash standard for passenger cars, fatigue in long distance truck driving, and research for the Fleet Safety Manual, were completed by FORS.
- The FORS public education programs received positive responses from the community. Public education initiatives targeted priority at risk sections of the community with unique needs in terms of both road safety information and methods of communication. Safety awareness campaigns were targeted at motorcyclists, the Aboriginal community, and young people. Each campaign was assessed as successful according to the response rates.
- FORS has been effective in addressing the environmental issues of road safety. The report *Motor Vehicle Pollution in Australia*, is the most comprehensive set of emissions data ever collected on the Australian car population. FORS is also leading major Australian Design Rules reviews of emissions from petrol and diesel engine vehicles.
- Vehicle safety standards were monitored and improved by amending the Australian Design Rules. FORS developed improved standards for occupant protection in side impact crashes and conducted crash test model programs.
- FORS hosted the 15th International Technical conference on the Enhanced Safety of Vehicles which was a very successful international forum. Vehicle standards harmonisation is now recognised as a key factor in facilitating international trade in the automotive industry.

### Performance Forecast 1996-97

#### Strategies

1. Maintain a research program and statistical database as a basis for development and evaluation of policies and regulations.
2. Improve road user safety through a range of public education activities which are research based and complement State/Territory public education and enforcement programs.
3. Develop and implement new and improved motor vehicle safety standards and other road safety related transport operational standards through the National Road Transport Commission (NRTC) process (under the terms of the memorandum of understanding between FORS and the NRTC). Undertake proactive research and development work within FORS and develop improved associated administrative arrangements related to the Motor Vehicle Certification System.
4. Pursue road safety related trade facilitation activities.
5. Maintain the momentum of national, state and local government strategic processes encompassing road safety.
6. Participate actively in environmental issues, particularly the furthering of economically sustainable development initiatives in vehicle related activities.
7. Develop and implement a Federal Road Safety Black Spot Program which reduces crashes at treated sites and includes wider community consultation.
8. Progress road transport reforms, including working with the NRTC and jurisdictions to finalise the legislative modules and achieve their integration into a single draft legislative package during 1996-97.
9. Work with jurisdictions, NRTC and the industry to have a second list of priority reforms agreed with industry, so it can be discussed by Ministers, towards the end of 1996.

## **SUB-PROGRAM 2.2: FEDERAL OFFICE OF ROAD SAFETY**

10. Undertake a high level of involvement in the Review of National Road Transport Legislation and the Steering Committee established to oversee the Review. The Review is to be completed by around the end of 1996. The Department considers the Review is important in involving all stakeholders in examining the post-January 1998 reform mechanisms and in expediting delivery of reforms.

### Outlook

Key activities in 1996-97 include:

- Implementing new Australian Design Rules on offset frontal and side impact performance of passenger cars, and heavy vehicle braking.
- Implementing the Road Vehicle Certification System to provide for improved services to clients and to allow the electronic lodgement by industry of compliance plate approval applications.
- Publishing the 6th edition of the Australian Code for the Transport of Dangerous Goods by Road. The Code will be called up in State and Territory legislation and standards in line with the latest international requirements and best operational practices.
- Participating in the Review of National Road Transport Legislation and Steering Committee to advance national objectives from road transport reform.
- Progressing the development of alternative compliance schemes for the road transport industry.
- Increasing efforts in trade facilitation, particularly in APEC and the ASEAN region, with emphasis on vehicle standards harmonisation to enhance the export prospects for vehicle and component manufacturers and suppliers, as well as enhancing the prospects of the sale overseas of Australia's road safety expertise.
- Monitoring with the National Road Safety Implementation Taskforce, the National Road Safety Strategy and Action Plan to progress the implementation of a range of countermeasures aimed at reducing the road toll.
- Finalising with AUSTRROADS and the National Road Transport Commission new Australia-wide traffic regulations to achieve consistency of requirements and upgraded national standards.
- Following up the In-Service Vehicle Emissions Study to enable progress towards development of suitable tests for identifying polluting vehicles, both petrol and diesel.
- Working with States, Territories and industry on new vehicle emissions standards for petrol and diesel engined vehicles.
- Continuing to provide a national road safety database which is fundamental to research, interjurisdictional and international comparisons.
- Undertaking research and analysis integrated with national research to support the development and evaluation of cost effective safety standards for new vehicles, the development of measures to improve the safety of road users, and the formation of public education programs.
- Continuing to develop and evaluate high quality media and public education resources focussed on areas in which major gains can be achieved.
- Implementing the Federal Road Safety Black Spot Program to reduce crashes at treated sites throughout Australia.

## SUB-PROGRAM 2.3: AUSTRALIAN NATIONAL RAILWAYS COMMISSION

The Australian National Railways Commission (AN) is an 'off Budget' Authority and accordingly does not provide objectives and financial details in the context of the Portfolio Budget Statements.

As a commercial entity it also pays State charges and taxes (other than wholesale sales tax).

<b>Resource Analysis</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<b>1995-96</b>	<b>1995-96</b>	<b>1995-96</b>	<b>1996-97</b>	<b>Variation</b>
	<b>Budget</b>	<b>Budget,</b>	<b>Actual</b>	<b>Budget</b>	<b>[4]-[3]/[3]</b>
	<b>(i)</b>	<b>AEs</b>	<b>(ii)</b>		
	<b>\$( '000)</b>	<b>\$( '000)</b>	<b>\$( '000)</b>	<b>\$( '000)</b>	<b>%</b>
<b>Annual Appropriations</b>					
Other Program Costs					
- For expenditure under the <u>Australian National Railways Commission Act 1983</u>	35,000	74,340	74,340	30,142	(59.5)
- Australian National Railways Commission - Payment of interest bearing advance	3,000	3,000	-	2,120	
<b>Total Appropriations</b>	<b>38,000</b>	<b>77,340</b>	<b>74,340</b>	<b>32,262</b>	<b>(56.6)</b>
<b>Less Adjustments (iii)</b>	<b>(3,000)</b>	<b>(3,000)</b>	<b>-</b>	<b>(2,120)</b>	
<b>Total Outlays</b>	<b>35,000</b>	<b>74,340</b>	<b>74,340</b>	<b>30,142</b>	<b>(59.5)</b>

- (i) As presented in the 1995-96 budget documentation (May 1995).
- (ii) 1995-96 Budget figures amended to include Additional Estimates and other revisions, consistent with estimates of the 1995-96 financial outcome published in Budget paper No 1: "Budget Statements 1996-97".
- (iii) Adjustments to derive outlays, includes receipt items classified as outlays, (ie three categories of receipts (money paid into the Public Account) are offset against appropriations in the calculation of outlays: Section 35 receipts, repayments of advances (loans and equity) and proceeds from the sale of capital assets).

### Variations

	<b>1995-96 Actual outlays</b>	<b>74,340</b>
<b>Program costs</b>		
- Expenditure under the Australian National Railways Commission Act 1983 - to fund operations		(44,198)
- Australian National Railways Commission - payment of interest bearing advance		2,120
<b>Adjustments</b>		
- Australian National Railways Commission - repayments in accordance with repayment schedule		(2,120)
<b>Sub-total of variations</b>		<b>(44,198)</b>
	<b>1996-97 Budget outlays</b>	<b>30,142</b>

## PROGRAM 3: MARITIME

### Objective

Efficient, competitive and safe shipping and shore-based services to support Australia's international and domestic trade.

<b>Resource Analysis</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<b>1995-96</b>	<b>1995-96</b>	<b>1995-96</b>	<b>1996-97</b>	<b>Variation</b>
	<b>Budget</b>	<b>Budget,</b>	<b>Actual</b>	<b>Budget</b>	<b>[4]-[3]/[3]</b>
	<b>(i)</b>	<b>AEs</b>	<b>(ii)</b>		
	<b>\$(‘000)</b>	<b>\$(‘000)</b>	<b>\$(‘000)</b>	<b>\$(‘000)</b>	<b>%</b>
<b>Special Appropriations</b>					
Program costs (excl. items funded from annual appropriations)	77,202	77,202	77,056	76,966	(0.1)
<b>Annual Appropriations</b>					
Running Costs - Salaries	3,303	4,034	3,806	4,391	15.4
- Other	1,388	1,945	1,817	1,758	(3.3)
Other program costs	51,150	54,401	53,257	59,262	12.2
<b>Total Appropriations</b>	<b>133,044</b>	<b>137,583</b>	<b>135,938</b>	<b>142,377</b>	<b>5.1</b>
<b>Less Adjustments (iii)</b>	(4,544)	(4,544)	(5,570)	(11,304)	102.9
<b>Total Outlays</b>	<b>128,500</b>	<b>133,039</b>	<b>130,368</b>	<b>131,073</b>	<b>0.5</b>
Staff Years	62.8	65.8	61.2	57.8	(5.5)

(i) As presented in the 1995-96 budget documentation (May 1995).

(ii) 1995-96 Budget figures amended to include Additional Estimates and other revisions, consistent with estimates of the 1995-96 financial outcome published in Budget paper No 1: "Budget Statements 1996-97".

(iii) Adjustments to derive outlays include receipt items classified as outlays. Three categories of receipts (money paid into the Public Account) are offset against appropriations in the calculation of outlays: Section 35 receipts, repayments of advances (loans and equity) and proceeds from the sale of assets.

## SUB-PROGRAM 3.1: MARITIME

### Objective

A policy framework to enable:

- . access to more competitive and reliable shipping and waterfront services for Australia's tradeable goods and greater transparency in the cost of ports and shore-based cargo handling industries.
- . promotion of Australian maritime transport and trade in services interests at international fora.
- . access by Australian shippers to competitive international shipping services which are safe, reliable and efficient.

An operational environment which delivers:

- . effective monitoring of the operating and financial performance of ANL Ltd resulting in outcomes which advance the Government's objectives for the future of the company.
- . effective liaison with AMSA and support to the Seafarers Safety, Rehabilitation and Compensation Authority (Seacare Authority) to meet their service and other obligations to stakeholders consistent with Government policies and objectives for these bodies and their industry sector.
- . efficient and equitable administration of the Ships (Capital Grants) Act 1987, the International Shipping (Australian - resident Seafarers) Grants Act 1995, the Tasmanian Freight Equalisation Scheme, the Bass Strait Passenger Vehicle Equalisation Scheme and the Bass Strait passenger subsidy arrangements.
- . promotion of safe shipping by dissemination of findings of investigations into marine incidents.

## SUB-PROGRAM 3.1: MARITIME

<b>Resource Analysis</b>					
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<b>1995-96</b>	<b>1995-96</b>	<b>1995-96</b>	<b>1996-97</b>	<b>Variation</b>
	<b>Budget</b>	<b>Budget,</b>	<b>Actual</b>	<b>Budget</b>	<b>[4]-[3]/[3]</b>
	<b>(i)</b>	<b>AEs</b>	<b>(ii)</b>		
	<b>\$('000)</b>	<b>\$('000)</b>	<b>\$('000)</b>	<b>\$('000)</b>	<b>%</b>
<b>Special Appropriations</b>					
Ships (Capital Grants) Act 1987	26,400	26,400	31,114	10,000	(67.9)
International Shipping (Australian - resident Seafarers) Grant Act 1995	-	-	-	19,000	
<b>Annual Appropriations</b>					
Running costs - Salaries	3,303	4,034	3,806	4,391	15.4
- Other	1,388	1,945	1,817	1,758	(3.3)
Sub-total	4,691	5,979	5,624	6,148	9.3
Other Program Costs					
- Tasmanian Freight Equalisation Scheme	40,500	43,000	42,673	41,700	(2.3)
- Search and Rescue	900	1,066	1,066	900	(15.6)
- Tasmania - Compensation payment in respect of the Bass Strait Passenger Service	300	438	371	366	(1.4)
- Bass Strait Passenger Vehicle Equalisation Scheme	-	-	-	7,500	
- Shipping Industry Reform Program	750	750	-	-	
Sub-total	42,450	45,254	44,110	50,466	14.4
<b>Total Appropriations</b>					
	<b>73,541</b>	<b>77,663</b>	<b>80,848</b>	<b>85,614</b>	<b>5.9</b>
<b>Less Adjustments (iii)</b>					
Miscellaneous	(100)	(100)	(1,120)	(100)	(91.1)
Section 35 of the Audit Act 1901	(2)	(2)	(8)	(5)	(39.0)
<b>Total Outlays</b>					
	<b>73,439</b>	<b>77,531</b>	<b>79,720</b>	<b>85,509</b>	<b>7.3</b>
Staff Years	62.8	65.8	61.2	57.8	(5.5)

- (i) As presented in the 1995-96 budget documentation (May 1995).
- (ii) 1995-96 Budget figures amended to include Additional Estimates and other revisions, consistent with estimates of the 1995-96 financial outcome published in Budget paper No 1: "Budget Statements 1996-97".
- (iii) Adjustments to derive outlays include receipt items classified as outlays. Three categories of receipts (money paid into the Public Account) are offset against appropriations in the calculation of outlays: Section 35 receipts, repayments of advances (loans and equity) and proceeds from the sale of assets.

## SUB-PROGRAM 3.1: MARITIME

### Variations

	<b>1995-96 Actual outlays</b>	<b>79,720</b>
<b>Budget Measure</b> - Termination of the Ships Capital Grants Scheme		1,950
<b>Budget Measure</b> - Tasmanian Freight Equalisation Scheme assistance rates		(1,800)
<b>Budget Measure</b> - Bass Strait Passenger Vehicle Equalisation (BSPVES)		7,500
<b>Budget Measure</b> - Tasmanian Wheat Freight Subsidy		500
<b>Budget Measure</b> - Service wide running costs savings		(93)
<b>Running costs</b>		
- Net effect of price indexation, efficiency dividend, carryovers and internal transfers. The derivation also reflects the allocation of Corporate overheads to sub-programs to better reflect actual program costs.		618
<b>Program costs</b>		
- <u>Ships (Capital Grants) Act 1987</u>		(23,064)
- <u>International Shipping (Australian - resident Seafarers) Grant Act 1995</u> - Outlays are dependent on receipt of claims		19,000
- Tasmanian Freight Equalisation Scheme - Slightly lower than expected lodgement of claims before close of financial year.		327
- Search and Rescue - This is a contingency item and expenditure depends on the number and nature of incidents.		(166)
- Tasmania - Compensation payment in respect of the Bass Strait Passenger Service - The timing of subsidy payments depends on the receipt of claims by the Tasmanian Department of Transport on behalf of the Bass Strait passenger service operator. Payments made in 1995-96 reflect claims only up until the end of the March quarter 1996.		(5)
<b>Adjustments</b>		
- Miscellaneous - 1995-96 included additional and unexpected receipts under Ships Capital Grants, refunds under the SIRA VERs and recoveries under TFES. 1996-97 estimate represents contingency for recoveries under the Tasmanian Freight Equalisation Scheme		1,020
- Section 35 - Increase due to funds received from sale of surplus assets and sub-program initiating user charging for the supply of statistical information.		3
<b>Sub-total of variations</b>		<b>5,790</b>
	<b>1996-97 Budget outlays</b>	<b>85,509</b>

### 1996-97 Budget Measures affecting portfolio outlays

Budget Measure - Termination of the Ships Capital Grants Scheme \$1,950,000

On 1 May 1996 the Shipping Grants Legislation Bill 1996 was introduced into Parliament. It passed the House of Representatives on 22 May and was introduced into the Senate on 23 May. The Senate Rural and Regional Affairs and Transport Legislation Committee held public hearings on the Bill on 20/21 May and reported to the Senate on 30 May. The Bill was still before the Senate at 30 June. The Government intends moving an amendment to permit vessels contracted prior to 1 May 1996 and registered and delivered on or before 30 June 1997 to be eligible for a Ships Capital Grant.

## **SUB-PROGRAM 3.1: MARITIME**

### Budget Measure - Tasmanian Freight Equalisation Scheme assistance rates (TFES) (\$1,800,000)

A review will be conducted by the TFES Review Authority of the TFES rates of assistance. The review will determine appropriate rates of assistance for all commodity classifications and investigate the existence of rate anomalies under the Scheme, with the intention that any necessary adjustment to the rates be implemented on 1 January 1997.

### Budget Measure - Bass Strait Passenger Vehicle Equalisation Scheme (BSPVES) \$7,500,000

The Government will introduce a scheme to reduce the cost of transporting accompanied passenger vehicles across Bass Strait. The scheme is aimed at reducing the transport disadvantage posed by Bass Strait. The scheme will provide a rebate for people travelling between Tasmania and the mainland. The anticipated cost of the package over the next 3 financial years is \$24.5 million. The package will be demand driven, funding will be adjusted up or down to accommodate the actual level of demand.

### Budget Measure - Tasmanian Wheat Freight Subsidy \$500,000

Modifications to the Tasmanian Wheat Freight Subsidy Scheme are expected to result in increased volumes of wheat and wheat products being shipped in non-bulk form. Accordingly, TFES funding has been increased by \$0.5m.

### Budget Measure - Termination of the International Shipping Grants Scheme

On 1 May 1996 the Shipping Grants Legislation Bill 1996 was introduced into Parliament. It passed the House of Representatives on 22 May and was introduced into the Senate on 23 May. The Senate Rural and Regional Affairs and Transport Legislation Committee held public hearings on the Bill on 20/21 May and reported to the Senate on 30 May. The Bill was still before the Senate at 30 June.

### Budget Measure - Running Costs Savings (\$93,000)

The Government has decided to reduce running costs in this Budget by applying an across the board two per cent reduction in agencies' base running costs.

### **Performance Outcomes 1995-96**

In 1995-96 the Maritime sub-program delivered and promoted efficient, competitive and safe shipping and shore based services. The program performed regulatory, financial assistance and advisory functions to support Australia's international and domestic trade.

- A major achievement was the conclusion of the IMO Convention on Liability and Compensation for Damage in connection with the Carriage of Hazardous and Noxious Substances by Sea. Amendments were drafted for the Trade Practices Act 1974 to improve Australian access to competitive liner shipping services, and for the Carriage of Goods by Sea Act 1991 to improve Australian's cargo liability regimes.
- 81 coastal trading licences and 421 single voyage permits were issued. Efficient administration of the Ships (Capital Grants) Act 1987 was maintained, and processing times for the Tasmanian Freight Equalisation Scheme were reduced from 7 days to 6 days.
- The sub-program developed the maritime component of the APEC Individual Action Plan that promotes trade liberalisation in the APEC region.
- New measures to improve navigational safety in the Great Barrier Reef and Torres Strait regions have been introduced, including a joint proposal with Papua New Guinea for mandatory ship reporting in those areas. The Maritime Incident Investigations Unit investigated 10 marine accidents, produced 14 reports and reduced the average time between the incident and the publication of the accident report.

## SUB-PROGRAM 3.1: MARITIME

- The sub-program continues to work for improvements in the price, efficiency and transparency of shore-based shipping services. A report to the Transport Minister in 1995 on port reform and charge reductions confirmed a fall in charges but recommended further decreases.

### Performance Forecast 1996-97

#### Strategies

- Develop and promote policies nationally and internationally to enhance safety and environmental protection in the shipping sector, and facilitate trade in maritime transport services.
- Monitor world best practice in maritime and waterfront industries to gain an empirical understanding of Australia's performance as a tool for facilitating increased efficiencies.
- Efficient and timely administration of the TFES, BSPVES, Ships (Capital Grants) Act 1987 and the International Shipping (Australian Resident Seafarers) Act 1995, the coasting trade provision of the Navigation Act 1912, Part X of the Trade Practices Act 1974 (TPA) and the Seafarers Rehabilitation and Compensation Act 1992.
- Monitor and advise on ANL and AMSA in relation to the efficiency, effectiveness and accountability of their operations and performance.
- Conduct investigations into marine accidents to identify potential deficiencies in processes and procedures and report upon them to the maritime industry.

#### Outlook

Key activities for 1996-97 include:

- Developing and implementing the BSPVES, designed to reduce the transport disadvantage imposed by Bass Strait on travel between Tasmania and the mainland.
- Reviewing TFES to reflect current freight rates across Bass Strait and provide a base for a rolling five year program, and pursuing continuous improvement activities in the administration of the TFES.
- Establishing and providing policy support to the Shipping Reform Group which will examine options for the winding back of cabotage and the structure, if appropriate, of a second register for the Australian fleet. Develop a strategy for shipping reform and implement the Government's decisions.
- Continuing to improve monitoring arrangements to assess the effectiveness of waterfront reform, promote the commercial opportunities on the waterfront available from the Government's workplace reforms and pursue with State governments further reform of port activities, including the privatisation of non-core functions.
- Advising on recommendations of the ANL Board for the future of ANL and implementing related Government decisions.

## **SUB-PROGRAM 3.1: MARITIME**

- Participating in the development of a Commonwealth oceans policy.
- Co-ordinating a review of Commonwealth/State maritime safety, regulatory and operational arrangements to improve efficiency, reduce duplication and enhance safety outcomes.
- Developing substantial consultation with State agencies on marine and port matters.
- Amending the Carriage of Goods by Sea Act 1991 to implement measures agreed by industry to remove the Hamburg Rules trigger.
- Reviewing the AMSA Act and the Shipping Registration Acts as part of the Government's regulation review program.
- Creating opportunities for enhanced maritime trade, including through the Asia Pacific Economic Cooperation processes and by promoting the use of electronic data interchange.

## SUB-PROGRAM 3.2: AUSTRALIAN MARITIME SAFETY AUTHORITY

Most of the functions undertaken by the Australian Maritime Safety Authority (AMSA) are financed through levies and charges on the maritime industry. The levies are the Marine Navigation Levy, the Marine Navigation (Regulatory Functions) Levy and the Protection of the Sea Levy. For constitutional reasons, levy funds are paid into the Consolidated Revenue Fund (CRF) and are then paid through a Departmental appropriation to AMSA. It is estimated that \$47.3 million will be raised by these levies in 1996-97 and appropriated to AMSA.

AMSA receives CSO payments from Government to cover the cost of specified functions which it performs on behalf of the Government. These include:

- . the operation of the Maritime Rescue Coordination Centre
- . half the cost of the provision of maritime safety radio communications
- . search and rescue incidents
- . sea safety education program.

<b>Resource Analysis</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<b>1995-96</b>	<b>1995-96</b>	<b>1995-96</b>	<b>1996-97</b>	<b>Variation</b>
	<b>Budget</b>	<b>Budget,</b>	<b>Actual</b>	<b>Budget</b>	<b>[4]-[3]/[3]</b>
	<b>(i)</b>	<b>AEs</b>	<b>(ii)</b>		
	<b>\$(‘000)</b>	<b>\$(‘000)</b>	<b>\$(‘000)</b>	<b>\$(‘000)</b>	<b>%</b>
<b>Special Appropriations</b>					
Payment of levies to the Australian Maritime Safety Authority	50,302	50,302	45,273	47,296	4.5
<u>Protection of the Sea (Oil Pollution Compensation Fund) Act 1993</u>	500	500	670	670	0.0
<b>Annual Appropriations</b>					
Other Program Costs					
- For expenditure under the <u>Australian Maritime Safety Authority Act 1990</u>	8,700	9,147	9,147	8,796	(3.8)
<b>Total Appropriations</b>	<b>59,502</b>	<b>59,949</b>	<b>55,089</b>	<b>56,762</b>	<b>3.0</b>
<b>Less Adjustments (iii)</b>					
AMSA Loan Repayment	(4,442)	(4,442)	(4,442)	(11,199)	152.1
<b>Total Outlays</b>	<b>55,060</b>	<b>55,507</b>	<b>50,647</b>	<b>45,563</b>	<b>(10.0)</b>

- (i) As presented in the 1995-96 budget documentation (May 1995).
- (ii) 1995-96 Budget figures amended to include Additional Estimates and other revisions, consistent with estimates of the 1995-96 financial outcome published in Budget paper No 1: "Budget Statements 1996-97".
- (iii) Adjustments to derive outlays include receipt items classified as outlays. Three categories of receipts (money paid into the Public Account) are offset against appropriations in the calculation of outlays: Section 35 receipts, repayments of advances (loans and equity) and proceeds from the sale of assets.

## SUB-PROGRAM 3.2: AUSTRALIAN MARITIME SAFETY AUTHORITY

### Variations

	1995-96 Actual outlays	50,647
<b>Budget Measure</b> - Service wide running costs savings		(99)
<b>Program costs</b>		
- Payment of levies to the Australian Maritime Safety Authority - the increase results from an upward revision of shipping tonnage forecasts and an increase in the Marine Navigation (Regulatory Functions) Levy from 1 July 1996		2,023
- For expenditure under the <u>Australian Maritime Safety Authority Act 1990</u> - reduced funding - Maatsuyker Island and efficiency dividend.		(252)
<b>Adjustments</b>		
- AMSA Loan Repayment - accelerated loan repayment.		(6,757)
Sub-total of variations		(5,084)
	<b>1996-97 Budget outlays</b>	<b>45,563</b>

### 1996-97 Budget Measures affecting portfolio outlays

#### Budget Measure - Running Costs Savings (\$99,000)

The Government has decided to reduce running costs in this Budget by applying an across the board two per cent reduction in agencies' base running costs.

#### Budget Measure - Application of Efficiency Dividend to Commonwealth Own Purpose Outlays (COPOS) and Specific Purpose Payments (SPP) of a running costs nature

An efficiency dividend similar to that being applied to running costs has been applied to COPOS and SPPs which are of a running costs nature, but which have not previously been required to provide an efficiency dividend. This applies the same efficiency incentives to those elements of outlays as have been applied to other operating costs expenditure. The efficiency dividend is set at three percent in the first year with an annual one percent applied cumulatively thereafter. This measure will take effect in 1999-2000 with a reduction of \$10,000.

#### Budget Measure - Australian Maritime Safety Authority communication services

The contract with Telstra Maritime for the provision of the national shore-based high frequency radio network expires on 30 June 1997. The Government contributes 50 per cent of the annual cost of the contract. Negotiations with Telstra Maritime for the provision of the service between July 1997 and June 1999 indicate that while maintaining an adequate level of service, savings can be made on the current contracted cost. A saving of \$0.83 million for the 1997-98 and 1998-99 financial years is expected.

## **SUB-PROGRAM 3.3: ANL LIMITED**

ANL Limited (formerly the Australian National Line) is an 'off Budget' wholly Commonwealth owned, incorporated Government Business Enterprise and accordingly does not provide objectives and financial details in the context of the Portfolio Budget Statements.

ANL's financial statements are incorporated in its annual report and ANL is bound by the requirements of a company under the Corporations Law.

As a commercial entity ANL pays Commonwealth and State charges and taxes levied on businesses generally.

## PROGRAM 4: REGIONAL DEVELOPMENT

### Objective

To enhance the performance of regions, urban and non urban, in meeting national objectives of economic efficiency and growth, social justice and environmental sustainability.

<b>RESOURCE ANALYSIS</b>					
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<b>1995-96</b>	<b>1995-96</b>	<b>1995-96</b>	<b>1996-97</b>	<b>Variation</b>
	<b>Budget</b>	<b>Budget,</b>	<b>Actual</b>	<b>Budget</b>	<b>[4]-[3]/[3]</b>
	<b>(i)</b>	<b>AEs</b>	<b>(ii)</b>		
	<b>\$('000)</b>	<b>\$('000)</b>	<b>\$('000)</b>	<b>\$('000)</b>	<b>%</b>
<b>Special Appropriations</b>					
Program costs (excl. items funded from annual appropriations)			1,214	3,000	147.2
<b>Annual Appropriations</b>					
Running Costs - Salaries	11,330	13,801	13,997	11,058	(21.0)
- Other	8,959	11,431	9,519	4,346	(54.3)
Other program costs	200,003	212,348	183,318	93,160	(49.3)
<b>Total Appropriations</b>	<b>220,292</b>	<b>237,580</b>	<b>208,547</b>	<b>111,564</b>	<b>(46.5)</b>
<b>Less Adjustments (iii)</b>	(17,421)	(17,421)	(3,915)	(21,354)	445.5
<b>TOTAL OUTLAYS</b>	<b>202,871</b>	<b>220,159</b>	<b>204,632</b>	<b>90,210</b>	<b>(55.9)</b>
Staff Years	219.0	229.0	215.6	69.9	(67.6)

(i) As presented in the 1995-96 budget documentation (May 1995).

(ii) 1995-96 Budget figures amended to include Additional Estimates and other revisions, consistent with estimates of the 1995-96 financial outcome published in Budget paper No 1: "Budget Statements 1996-97".

(iii) Adjustments to derive outlays include receipt items classified as outlays. Three categories of receipts (money paid into the Public Account) are offset against appropriations in the calculation of outlays: Section 35 receipts, repayments of advances (loans and equity) and proceeds from the sale of assets.

## SUB-PROGRAM 4.1: REGIONAL DEVELOPMENT

### Objective

To facilitate action by communities, the private sector and government in mobilising regional resources and improving program delivery to foster internationally competitive regional economic development.

<b>Resource Analysis</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<b>1995-96</b>	<b>1995-96</b>	<b>1995-96</b>	<b>1996-97</b>	<b>Variation</b>
	<b>Budget</b>	<b>Budget,</b>	<b>Actual</b>	<b>Budget</b>	<b>[4]-[3]/[3]</b>
	<b>(i)</b>	<b>AEs</b>	<b>(ii)</b>		
	<b>\$( '000)</b>	<b>\$( '000)</b>	<b>\$( '000)</b>	<b>\$( '000)</b>	<b>%</b>
<b>Special Appropriations</b>					
<u>States Grants (Petroleum Products) Act 1965</u>					
Petroleum Products Freight Subsidy scheme			1,214	3,000	147.2
<b>Annual Appropriations</b>					
Running costs - Salaries	11,330	13,801	13,997	11,058	(21.0)
- Other	8,959	11,431	9,519	4,346	(54.3)
Sub-total	20,289	25,232	23,516	15,404	(34.5)
Other Program Costs					
- Regional economic development	17,650	18,450	15,973	10,360	(35.1)
- Regional development infrastructure project	19,700	22,700	12,059	24,978	107.1
- National Urban Development Program	3,972	3,972	1,373	172	(87.5)
- Better urban design	7,900	7,900	4,687	0	(100.0)
- Greenhouse - Urban Public Transport	535	535	21	0	(100.0)
- Integrated Local Area Planning - Coastal Management	1,165	1,165	321	53	(83.5)
- Departmental Computer Equipment	-	3,545	363	0	(100.0)
- Murray-Darling Basin Commission					
- For expenditure under the <u>Murray-Darling Basin Act 1983</u>	2,957	2,957	2,957	0	(100.0)
- Payment to WA for sewerage and water quality	435	435	435	0	(100.0)
- Mark I - General purpose capital assistance to the States	120,178	120,178	120,129	50,000	(58.4)
- Mark II - General purpose capital assistance to the States	20,000	20,000	20,000	2,597	(87.0)
- Northern Territory - Construction and maintenance of strategic roads on Aboriginal land	5,200	5,200	5,200	0	(100.0)
- Northern Territory - Provision of water and sewerage facilities for indigenous communities	-	5,000	-	5,000	
- New homes for old - Expanding housing choices for older Australians	311	311	300	0	(100.0)
<b>Total Appropriations</b>	<b>220,292</b>	<b>237,580</b>	<b>208,547</b>	<b>111,564</b>	<b>(46.5)</b>

## SUB-PROGRAM 4.1: REGIONAL DEVELOPMENT

	1 1995-96 Budget (i) \$('000)	2 1995-96 Budget, AEs \$('000)	3 1995-96 Actual (ii) \$('000)	4 1996-97 Budget \$('000)	5 Variation [4]-[3]/[3] %
<b>Less Adjustments (iii)</b>					
Miscellaneous	-	-	(231)	-	(100.0)
Section 35 of the <u>Audit Act 1901</u>	(56)	(56)	(83)	-	(100.0)
Albury-Wodonga Development Corporation - Sale of assets	(14,300)	(14,300)	-	(18,006)	
Decentralisation development loans - repayments	(86)	(86)	(592)	(89)	(85.0)
Emerald Hill - purchase of land - repayments	(205)	(205)	(205)	(205)	(0.2)
Growth centres - Municipal Works - repayments	(224)	(224)	(235)	(246)	4.8
Sewerage Agreements pursuant to <u>Urban and Regional Development (Financial Assistance) Act 1974</u> (All States)	(2,550)	(2,550)	(2,569)	(2,808)	9.3
<b>Total Outlays</b>	<b>202,871</b>	<b>220,159</b>	<b>204,632</b>	<b>90,210</b>	<b>(55.9)</b>
Staff Years	219.0	229.0	215.6	69.9	(67.6)

- (i) As presented in the 1995-96 budget documentation (May 1995).
- (ii) 1995-96 Budget figures amended to include Additional Estimates and other revisions, consistent with estimates of the 1995-96 financial outcome published in Budget paper No 1: "Budget Statements 1996-97".
- (iii) Adjustments to derive outlays include receipt items classified as outlays. Three categories of receipts (money paid into the Public Account) are offset against appropriations in the calculation of outlays: Section 35 receipts, repayments of advances (loans and equity) and proceeds from the sale of assets.

## SUB-PROGRAM 4.1: REGIONAL DEVELOPMENT

### Variations

	<b>1995-96 Actual outlays</b>	<b>204,632</b>
<b>Budget Measure</b> - Inveresk Development Project	3,000	
<b>Budget Measure</b> - Regional Development and Urban Programs savings	(121,862)	
<b>Budget Measure</b> - Provision for additional funding for Indigenous Health Related Infrastructure - Northern Territory	5,000	
<b>Budget Measure</b> - Application of efficiency dividend to COPOS and SPP of a running costs nature	(344)	
<b>Running costs</b>		
- Net effect of price indexation, efficiency dividend, carryovers and internal transfers. The derivation also reflects the allocation of Corporate overheads to sub-programs to better reflect actual program costs.	(1,955)	
<b>Program costs</b>		
- Regional Economic Development	5,728	
- Regional Development Infrastructure Project	16,612	
- National Urban Development Program	(911)	
- Better Urban Design	(3,888)	
- Greenhouse - Urban Public transport	(21)	
- Integrated Local Area Planning - Coastal Management	1,874	
- Departmental Computer Equipment	(363)	
- Murray-Darling Basin Commission - For expenditure under the <u>Murray-Darling Basin Act 1983</u>	88	
- Payment to WA for sewerage and water quality	(435)	
- Mark 1 - General purpose capital assistance to the States	(70,129)	
- Mark 11 - General purpose capital assistance to the States	69,136	
- New Homes for Old	(300)	
- <u>States Grants (Petroleum Products) Act 1965</u> Petroleum Products Freight Subsidy scheme	1,786	
<b>Adjustments</b>		
- Section 35 - reflects average receipts over past years.	83	
- Miscellaneous	231	
- Albury-Wodonga Development Corporation - Sale of assets - \$14.3m was not received in the 1995-96 financial year, but was received in early July of 1996-97.	(18,006)	
- Decentralisation development loans - repayments	503	
- Growth centres - Municipal Works - repayments	(11)	
- Sewerage Agreements pursuant to <u>Urban and Regional Development (Financial Assistance) Act 1974</u> (All States)	(239)	
<b>Sub-total of variations</b>		<b>(114,422)</b>
	<b>1996-97 Budget outlays</b>	<b>90,210</b>

## **SUB-PROGRAM 4.1: REGIONAL DEVELOPMENT**

### **1996-97 Budget Measures affecting portfolio outlays**

#### Budget Measure -Regional Development and Urban Programs savings (\$121,862,000)

This measure reflects the Government's decision to terminate Regional Development and Urban Programs. \$85.16 million will be spent during 1996-97 on existing programs and for selected special projects.

#### Budget Measure - Inveresk Redevelopment Project \$3,000,000

The Government has agreed to funding of \$7 million over three years for redevelopment works at Inveresk in Tasmania.

#### Budget Measure - Provision for additional funding for Indigenous Health Related Infrastructure - Northern Territory \$5,000,000

Funding of \$15 million will be provided over three years through a grant to the Northern Territory to enable greater health related spending in remote Aboriginal communities.

#### Budget Measure - Application of Efficiency Dividend to Commonwealth Own Purpose Outlays (COPOS) and Special Purpose Payments (SPP) of a running costs nature (\$344,000)

An efficiency dividend similar to that being applied to running costs has been applied to COPOS and SPPs which are of a running costs nature, but which have not previously been required to provide an efficiency dividend. This applies the same efficiency incentives to those elements of outlays as have been applied to other operating costs expenditure. The efficiency dividend is set at three percent in the first year with an annual one percent applied cumulatively thereafter.

### **Performance Outcomes 1995-96**

The sub-program implemented measures to facilitate the sustainable development of Australia's regions.

- Just over \$2 million has been provided to 35 RDOs to prepare regional economic development strategies.
- Projects identified under the RDO strategies are receiving \$22.7 million funding from the Commonwealth for Infrastructure; \$13.785 million for Structures, Strategies and Projects; \$1.376 million for Tools and Dissemination and \$3.298 million for Best Practice.
- Partnerships were developed with the States, Territories and local government, the private sector, unions and community groups through the formation of RDOs. An additional \$115.2 million was committed for regional development by these stakeholders.
- Urban management was addressed by the Commonwealth operating in partnership with the States and Territories and local government. The integrated approach to urban and regional management was followed through the Better Cities program, the new homes for old program and Commonwealth involvement in national and international forums such as the Planning Ministers Conferences, urban design seminar series and the UN Habitat Conference.

## **SUB-PROGRAM 4.1: REGIONAL DEVELOPMENT**

### **Performance Forecast 1996-97**

#### Strategies

Following the Government's announcement on 17 July 1996 to wind-up all regional development programs under this sub-program and to abolish the Regional Development Division, two small teams of staff drawn from across all areas of the Regional Development Division were formed to put in place measures to achieve a consistent and coordinated approach to the implementation of the Government's decisions:

1. The Program wind-up team will ensure programs are administered efficiently.
2. The Staff and Assets wind-up team will ensure that all offices of the Division are closed, that staff are given assistance and assets returned to the central office of the Department or otherwise appropriately disposed of.

#### Outlook

Activities associated with the administration of regional development programs in the sub-program should be substantially concluded by 31 December 1996.

## PROGRAM 5: CORPORATE DIRECTION AND SUPPORT

### Objective

Strategic leadership and direction, together with appropriate management organisation, structure, practices, support and research, so as to enable efficient and effective program formulation and delivery, while preserving proper accountability.

<b>RESOURCE ANALYSIS</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<b>1995-96</b>	<b>1995-96</b>	<b>1995-96</b>	<b>1996-97</b>	<b>Variation</b>
	<b>Budget</b>	<b>Budget,</b>	<b>Actual</b>	<b>Budget</b>	<b>[4]-[3]/[3]</b>
	<b>(i)</b>	<b>AEs</b>	<b>(ii)</b>		
	<b>\$(‘000)</b>	<b>\$(‘000)</b>	<b>\$(‘000)</b>	<b>\$(‘000)</b>	<b>%</b>
<b>Special Appropriations</b>					
Program costs (excl. items funded from annual appropriations)	-	-	-	-	
<b>Annual Appropriations</b>					
Running Costs - Salaries	23,900	14,072	15,055	15,005	(0.3)
- Other	25,180	19,618	13,711	12,621	(7.9)
Other program costs	1,513	1,513	1,269	1,538	21.2
<b>Total Appropriations</b>	<b>50,594</b>	<b>35,203</b>	<b>30,036</b>	<b>29,164</b>	<b>(2.9)</b>
<b>Less Adjustments (iii)</b>	(1,139)	(1,139)	(449)	(1,450)	222.9
<b>TOTAL OUTLAYS</b>	<b>49,455</b>	<b>34,064</b>	<b>29,587</b>	<b>27,714</b>	<b>(6.3)</b>
Staff Years	349.0	341.0	336.4	282.5	(16.0)

- (i) As presented in the 1995-96 budget documentation (May 1995).
- (ii) 1995-96 Budget figures amended to include Additional Estimates and other revisions, consistent with estimates of the 1995-96 financial outcome published in Budget paper No 1: "Budget Statements 1996-97".
- (iii) Adjustments to derive outlays include receipt items classified as outlays. Three categories of receipts (money paid into the Public Account) are offset against appropriations in the calculation of outlays: Section 35 receipts, repayments of advances (loans and equity) and proceeds from the sale of assets.

## SUB-PROGRAM 5.1: EXECUTIVE

### Objective

Strategic leadership, direction and management organisation for the Department.

<b>Resource Analysis</b>					
	1	2	3	4	5
	1995-96 Budget (i) \$('000)	1995-96 Budget, AEs \$('000)	1995-96 Actual (ii) \$('000)	1996-97 Budget \$('000)	Variation [4]-[3]/[3] %
<b>Annual Appropriations</b>					
Running costs - Salaries	4,417	812	836	521	(37.7)
- Other	776	384	530	424	(19.9)
Sub-total	5,193	1,196	1,365	945	(30.8)
<b>Total Appropriations</b>	<b>5,193</b>	<b>1,196</b>	<b>1,365</b>	<b>945</b>	<b>(30.8)</b>
<b>Less Adjustments (iii)</b>					
Section 35 of the <u>Audit Act 1901</u>	(1)	(1)	-	(1)	
<b>Total Outlays</b>	<b>5,192</b>	<b>1,195</b>	<b>1,365</b>	<b>944</b>	<b>(30.9)</b>
Staff Years	38.1	7.1	7.2	6.4	(10.8)

- (i) As presented in the 1995-96 budget documentation (May 1995).
- (ii) 1995-96 Budget figures amended to include Additional Estimates and other revisions, consistent with estimates of the 1995-96 financial outcome published in Budget paper No 1: "Budget Statements 1996-97".
- (iii) Adjustments to derive outlays include receipt items classified as outlays. Three categories of receipts (money paid into the Public Account) are offset against appropriations in the calculation of outlays: Section 35 receipts, repayments of advances (loans and equity) and proceeds from the sale of assets.

### Variations

	<b>1995-96 Actual outlays</b>	<b>1,365</b>
<b>Budget Measure</b> - Service wide running costs savings		(23)
<b>Running costs</b>		
- Net effect of price indexation, efficiency dividend, carryovers and internal transfers. The derivation also reflects the allocation of Corporate overheads to sub-programs to better reflect actual program costs.		(81)
<b>Sub-Total Running Costs</b>		(421)
<b>Adjustments</b>		
- Section 35 receipts		1
Sub-total of variations		(421)
	<b>1996-97 Budget</b>	<b>944</b>

## **SUB-PROGRAM 5.1: EXECUTIVE**

### **1996-97 Budget Measures affecting portfolio outlays**

#### Budget Measure - Running Costs Savings (\$23,000)

The Government has decided to reduce running costs in this Budget by applying an across the board two per cent reduction in agencies' base running costs.

### **Performance Outcomes 1995-96**

In 1995-96 the Executive provided strategic leadership, direction and management organisation for the Department. The Executive ensured that key policy outcomes were achieved in both the former Departments of Transport, and Housing and Regional Development, and in the new Department of Transport and Regional Development.

The Executive was involved in:

- Developing the corporate direction of the Department and resolving management issues.
- Developing sale parameters and regulatory arrangements for federal airports and plans for a second Sydney airport.
- Community consultation on the environmental impacts of Sydney (Kingsford Airport) Airport as well as a noise amelioration program and curfew regulation.
- Developing policy for a national body to control Australia's rail track infrastructure.
- Leading the Department's contribution to the APEC agenda on transport.

### **Performance Forecast 1996-97**

#### Strategies

- Provide strategic leadership and policy guidance.

#### Outlook

Key activities in 1996-97 will include:

- Corporate and resource planning to support the Minister and Parliamentary Secretary.
- Contribution to and leadership in addressing major portfolio policy and program issues.

## SUB-PROGRAM 5.2: MANAGEMENT SUPPORT AND ADVICE

### Objective

High quality and timely support services and advice, delivered efficiently and effectively to meet the program objective and the needs of the Minister and departmental program management.

<b>Resource Analysis</b>					
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<b>1995-96 Budget (i)</b>	<b>1995-96 Budget, AEs</b>	<b>1995-96 Actual (ii)</b>	<b>1996-97 Budget</b>	<b>Variation [4]-[3]/[3]</b>
	<b>\$('000)</b>	<b>\$('000)</b>	<b>\$('000)</b>	<b>\$('000)</b>	<b>%</b>
<b>Annual Appropriations</b>					
Running costs - Salaries	15,217	7,579	8,680	9,038	4.1
- Other	22,473	17,072	11,151	9,944	(10.8)
Sub-total	37,689	24,651	19,830	18,982	(4.3)
Other Program Costs					
- Compensation and legal expenses	1,513	1,513	1,269	1,538	21.2
<b>Total Appropriations</b>	<b>39,202</b>	<b>26,164</b>	<b>21,100</b>	<b>20,520</b>	<b>(2.7)</b>
<b>Less Adjustments (iii)</b>					
Miscellaneous	(615)	(615)	(60)	(615)	919.4
Section 35 of the <u>Audit Act 1901</u>	(474)	(474)	(333)	(785)	135.5
<b>Total Outlays</b>	<b>38,113</b>	<b>25,075</b>	<b>20,706</b>	<b>19,120</b>	<b>(7.7)</b>
Staff Years	225.3	243.3	243.7	217.2	(10.9)

- (i) As presented in the 1995-96 budget documentation (May 1995).
- (ii) 1995-96 Budget figures amended to include Additional Estimates and other revisions, consistent with estimates of the 1995-96 financial outcome published in Budget paper No 1: "Budget Statements 1996-97".
- (iii) Adjustments to derive outlays include receipt items classified as outlays. Three categories of receipts (money paid into the Public Account) are offset against appropriations in the calculation of outlays: Section 35 receipts, repayments of advances (loans and equity) and proceeds from the sale of assets.

## SUB-PROGRAM 5.2: MANAGEMENT SUPPORT AND ADVICE

### Variations

	1995-96 Actual outlays	20,706
<b>Budget Measure</b> - Service wide running costs savings		(879)
<b>Budget Measure</b> - Whole of Government Telecommunications		(52)
<b>Running costs</b>		
- Net effect of price indexation, efficiency dividend, carryovers and internal transfers. The derivation also reflects the allocation of Corporate overheads to sub-programs to better reflect actual program costs.		(193)
<b>Adjustments</b>		
- Miscellaneous		555
- Section 35		452
Sub-total of variations		(1,586)
	<b>1996-97 Budget</b>	<b>19,120</b>

### 1996-97 Budget Measures affecting portfolio outlays

#### Budget Measure - Running Costs Savings (\$879,000)

The Government has decided to reduce running costs in this Budget by applying an across the board two per cent reduction in agencies' base running costs.

#### Budget Measure - Whole of Government Telecommunications (\$52,000)

Running costs for departments and agencies have been reduced by estimated minimum savings expected to be generated by Whole of Government initiatives in telecommunications purchasing, wide area voice networks and wide area data networks.

### Performance Outcomes 1995-96

The Corporate Management Division met the support needs of the Department over a period of significant change in the operation and structure of the Department.

- Significant efforts were involved in integrating the Regional Development Division into the Department. This involved establishing computer links with central and regional offices, providing a full range of corporate services, and common accounts processing.
- Preparation of a new corporate plan commenced. As well as providing a guide for policy and program matters, the corporate plan will allow better linkages with people development and communication strategies.
- Significant attention was given to coordination of the portfolio's input into the 1996-97 Budget, and the Trade Coordination Group contributions to APEC forums.

## **SUB-PROGRAM 5.2: MANAGEMENT SUPPORT AND ADVICE**

### **Performance Forecast 1996-97**

#### Strategies

- Review of resources and support structures for information technology, communications and property services, together with other corporate expenditure and services.
- Preparation for potential changes in Public Service employment and personnel practices and support services.

#### Outlook

Key activities in 1996-97 will include:

- Attention to APEC transportation matters and bi-lateral arrangements with countries in the region.
- Handling the staffing and resource infrastructure issues associated with the decision to withdraw from regional development programs.
- Activities related to the Portfolio's contribution to the forthcoming May 1997 Budget.
- Continued focus on mechanisms for improving and strengthening accountability.

## SUB-PROGRAM 5.3: RESEARCH

### Objective

To provide, through research, a better information and analysis base for policy formulation in transport and communications; and to contribute to more informed public debate, through the dissemination of research results.

<b>Resource Analysis</b>					
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<b>1995-96</b>	<b>1995-96</b>	<b>1995-96</b>	<b>1996-97</b>	<b>Variation</b>
	<b>Budget</b>	<b>Budget,</b>	<b>Actual (ii)</b>	<b>Budget</b>	<b>[4]-[3]/[3]</b>
	<b>(i)</b>	<b>AEs</b>			
	<b>\$(‘000)</b>	<b>\$(‘000)</b>	<b>\$(‘000)</b>	<b>\$(‘000)</b>	<b>%</b>
<b>Annual Appropriations</b>					
Running costs - Salaries	4,267	5,681	5,540	5,446	(1.7)
- Other	1,932	2,162	2,031	2,253	10.9
Sub-total	6,199	7,844	7,571	7,699	(1.7)
<b>Total Appropriations</b>	<b>6,199</b>	<b>7,844</b>	<b>7,571</b>	<b>7,699</b>	<b>1.7</b>
<b>Less Adjustments (iii)</b>					
Miscellaneous	-	-	(17)	-	
Section 35 of the <u>Audit Act 1901</u>	(49)	(49)	(39)	(49)	26.5
<b>Total Outlays</b>	<b>6,150</b>	<b>7,795</b>	<b>7,515</b>	<b>7,650</b>	<b>1.8</b>
Staff Years	85.6	90.6	85.5	58.9	(31.1)

- (i) As presented in the 1995-96 budget documentation (May 1995).
- (ii) 1995-96 Budget figures amended to include Additional Estimates and other revisions, consistent with estimates of the 1995-96 financial outcome published in Budget paper No 1: "Budget Statements 1996-97".
- (iii) Adjustments to derive outlays include receipt items classified as outlays. Three categories of receipts (money paid into the Public Account) are offset against appropriations in the calculation of outlays: Section 35 receipts, repayments of advances (loans and equity) and proceeds from the sale of assets.

## SUB-PROGRAM 5.3: RESEARCH

### Variations

	<b>1995-96 Actual outlays</b>	<b>7,515</b>
<b>Budget Measure</b> - Service wide running costs savings		(123)
<b>Running costs</b>		
- Net effect of price indexation, efficiency dividend, carryovers and internal transfers. The derivation also reflects the allocation of Corporate overheads to sub-programs to better reflect actual program costs.		(252)
<b>Adjustments</b>		
- Section 35		(10)
- Miscellaneous		17
Sub-total of variations		135
	<b>1996-97 Budget</b>	<b>7,650</b>

### 1996-97 Budget Measures affecting portfolio outlays

#### Budget Measure - Running Costs Savings (\$123,000)

The Government has decided to reduce running costs in this Budget by applying an across the board two per cent reduction in agencies' base running costs.

### Performance Outcomes 1995-96

- The research performed by the BTCE contributed to policy development in transport and communications. The BTCE has produced a number of influential research papers and reports including:
  - A report on traffic congestion in six major cities provided strategies to reduce costs in this area.
  - A working paper that assesses the value of macro-economic analysis for estimating the benefits of infrastructure investment.
  - A major econometric study of the determinants of air travel demand to and from Australia, providing policy makers with up-to-date market estimates.
  - A paper on code-sharing between international airlines and how this affects industry outcomes such as competition.
  - A paper analysing the options for allocating slots to manage demand at congested airports.
  - A regular publication *Waterline* which monitors stevedoring performance and the distribution of charges across the major container ports. In 1995-96 *Waterline* became a quarterly publication, and incorporated a series of international port performance comparisons
  - A study of household demand for new and emerging telecommunications and information services, which provides new data on the likely take-up of enhanced technologies by households.
  - Working papers relating to the Greenhouse project released through 1995-96 which have contributed to the development of Australia's Greenhouse policy. This project will be completed in October 1996.
- The BTCE publications, presentations, seminars and workshops all contributed to and informed public debate on transport and communications issues. Highlights include the Communications Research Forum, reports on traffic congestion and road user charging, regular publication of *Waterline* and Transport and Communications Indicators, and booklet Australian Transport Statistics In Brief. The BTCE is increasing the use of the Internet to make publications available.

## SUB-PROGRAM 5.3: RESEARCH

### Performance Forecast 1996-97

#### Strategies

1. Undertake applied economic research on current and emerging policy issues of relevance to the portfolios of Transport and Regional Development and Communications and the Arts.

#### Outlook

The BTCE develops an annual research program in consultation with senior managers of the Department of Transport and Regional Development and the Department of Communications and the Arts. The BTCE's day-to-day contact with government agencies, industry organisations, transport and communications industry groups and other researchers in Australia and overseas also influences the content of the program.

The 1996-97 program focuses on strategic issues, which include:

- the adequacy of national transport infrastructure to meet future demands.
- quality of service supplied by Australian railways.
- the costs of measures to reduce greenhouse gas emissions.
- the economic benefits of investment in infrastructure.
- airport economics, including slot allocation at congested airports.
- developments in the international aviation market.
- analysis of the General Aviation industry.
- effects of developments in Australian shipping.
- synergies in Eastern Indonesia and Northern Australia transport.
- access to information and communications services.
- economics of Australia Post.
- demand for new business network services.
- Australian content in broadcasting.
- the enhancement of databases and analytical models for use in research.

## **SECTION III**

# **RECONCILIATION TABLES**

## Reconciliation of expenditure from programs to expenditure from appropriation types: 1996-97

Program	Bill No. 1	+	Appropriations Bill No. 2	+	Special	+	Annotated Approps (i)	=	Program Appropriations	+	Adjustments (ii)	=	Program Outlays
	\$('000)		\$('000)		\$('000)		\$('000)		\$('000)		\$('000)		\$('000)
Aviation	61,155		132,300		50,302		92		243,849		(106,847)		137,002
Land	59,418		11,863		851,453		282		923,016		(11,669)		911,347
Maritime	57,544		7,866		76,966		5		142,381		(11,304)		131,077
Regional Development	50,967		57,597		3,000		-		111,564		(21,354)		90,210
Corporate	29,164		-		-		835		29,999		(1,450)		28,549
<b>TOTAL</b>	<b>258,248</b>		<b>209,626</b>		<b>981,721</b>		<b>1,214</b>		<b>1,450,809</b>		<b>(152,624)</b>		<b>1,298,185</b>

'(i) Annotated Appropriations are a form of special appropriations to allow a Department access to the money it earns.

'(ii) Adjustments to derive outlays, includes receipts items classified as outlays, (ie three categories of receipts (money paid into the Public Account) are offset against appropriations in the calculation of outlays: user charges, repayments of advances (loans or equity) and proceeds from sale of capital assets), and net movements in trust account balances)

**Reconciliation of expenditure from appropriations to expenditure from programs: 1996-97**

	Program					
	Aviation	Land Transport	Maritime	Regional Development	Corporate Direction & Support	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Appropriation Bill No.1</b>						
Division 650.- ADMINISTRATIVE						
1. - Running costs	26,026	16,712	6,148	15,404	27,626	91,916
2. - Other Services						
01. Free or Concessional Fares		5,094				5,094
02. Tasmanian Freight Equalisation Scheme			41,700			41,700
03. Search and Rescue	380		900			1,280
04. Air Services - subsidy	1,262					1,262
05. Compensation and legal expenses					1,538	1,538
06. Establishment of and payment to the National Road Transport Commission		1,309				1,309
07. Road safety improvement package		6,106				6,106
08. Regional Economic Development				10,360		10,360
09. Regional Development Infrastructure Project				24,978		24,978
10. National Urban Development Program				172		172
11. Integrated Local Urban Planning - Coastal Management				53		53
3. - Grants and Contributions						
02. Contribution to the Organisation for Economic Co-operation and Development - Road Transport Research Program		55				55
03. International Civil Aviation Organisation - Contribution	1,188					1,188
<b>Total Division 650</b>	<b>28,856</b>	<b>29,276</b>	<b>48,748</b>	<b>50,967</b>	<b>29,164</b>	<b>187,011</b>
Division 651. - AUSTRALIAN NATIONAL RAILWAYS COMMISSION						
1. For expenditure under the Australian National Railways Commission Act 1983		30,142				30,142
Division 652. - AUSTRALIAN MARITIME SAFETY AUTHORITY						
1. For expenditure under the Australian Maritime Safety Authority Act 1990			8,796			8,796
Division 653. - CIVIL AVIATION SAFETY AUTHORITY						
1. For expenditure under the Civil Aviation Act 1988	23,081					23,081
Division 656. - AIRSERVICES AUSTRALIA						
1. For expenditure under the Airservices Act 1995	9,218					9,218
<b>TOTAL APPROPRIATION BILL NO. 1</b>	<b>61,155</b>	<b>59,418</b>	<b>57,544</b>	<b>50,967</b>	<b>29,164</b>	<b>258,248</b>
Estimates of receipts to be deemed as Appropriated under Section 35 of the Audit Act.	92	282	5	-	835	1,214

**Program**

	Aviation	Land Transport	Maritime	Regional Development	Corporate Direction & Support	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

**Appropriation Bill No.2**

Division 970. - CAPITAL WORKS AND SERVICES

**1. - Acquisitions, Buildings, Works, Plant and Equipment**

01. Second Sydney Airport land acquisition and works	8,150					8,150
02. Implementation of Noise Amelioration Program for Sydney Airport	83,150					83,150
03. Road Vehicle Certification Scheme		1,393				1,393
04. Contribution to the development of runway extensions at Adelaide Airport	28,000					28,000

**2. - Equity, Advances and Loans**

01. National Rail Corporation - Equity contribution		6,100				6,100
02. Australian National Railways Commission - Payment of interest bearing advances		2,120				2,120

Division 971. - PAYMENT TO OR FOR THE STATES, THE NORTHERN TERRITORY AND THE AUSTRALIAN CAPITAL TERRITORY

02. Tasmania - Compensation payment in respect of the Bass Strait passenger service			366			366
03. Payment to South Australia - Remediation of land, Islington Railyards for land sale		2,000				2,000
04. Bass Strait Passenger Vehicle Equalisation Service			7,500			7,500
05. Mark 1 - General purpose capital assistance to the States.				50,000		50,000
06. Mark 11 - General purpose capital assistance to the States.				2,597		2,597
07. Northern Territory Indigenous Health Infrastructure				5,000		5,000
08. Payment of amounts equal to penalties resulting from prosecutions under the Interstate Road Transport Act 1985		250				250

Division 972. - OTHER SERVICES

01. Sydney West Airport - expenses for rental properties	1,000					1,000
02. Environmental impact studies for selection of Sydney Airport site	12,000					12,000

<b>TOTAL APPROPRIATION BILL NO. 2</b>	<b>132,300</b>	<b>11,863</b>	<b>7,866</b>	<b>57,597</b>	<b>-</b>	<b>209,626</b>
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<b>TOTAL ANNUAL APPROPRIATIONS</b>	<b>193,547</b>	<b>71,563</b>	<b>65,415</b>	<b>108,564</b>	<b>29,999</b>	<b>469,088</b>
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**Program**

	Aviation	Land Transport	Maritime	Regional Development	Corporate Direction & Support	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Special Appropriations</b>						
<b>Assistance to Other Governments</b>						
90-01-10 Australian Land Transport Development Act 1988 (a)		851,453				851,453
90-01-05 Interstate Road Transport Act 1985 (a)		-				-
<b>Other</b>						
90-02-05 Aviation Fuel Revenues (Special Appropriation) Act 1988 (including proposed amendments)	50,302					50,302
90-02-13 International Shipping (Australian - Resident Seafarers) Grants Act 1995			19,000			19,000
90-02-15 Payment of Levies to the Australian Maritime Safety Authority			47,296			47,296
90-02-25 Protection of the Sea (Oil Pollution Compensation Fund) Act 1993			670			670
90-02-10 Ships (Capital Grants Act) 1987			10,000			10,000
90-02-20 State Grants (Petroleum Products) Act 1995 Petroleum Products Freight Subsidy Scheme				3,000		3,000
<b>TOTAL SPECIAL APPROPRIATIONS</b>	<b>50,302</b>	<b>851,453</b>	<b>76,966</b>	<b>3,000</b>	<b>-</b>	<b>981,721</b>
<b>TOTAL APPROPRIATIONS</b>	<b>243,849</b>	<b>923,016</b>	<b>142,381</b>	<b>111,564</b>	<b>29,999</b>	<b>1,450,809</b>
Adjustments	(106,847)	(11,669)	(11,304)	(21,354)	(1,450)	(152,624)
<b>TOTAL OUTLAYS</b>	<b>137,002</b>	<b>911,347</b>	<b>131,078</b>	<b>90,210</b>	<b>28,549</b>	<b>1,298,185</b>

(a) For payment to the relevant trust account.

## GLOSSARY

AA	-	Airservices Australia
ACAS	-	Airborne Collision Avoidance System
ACCC	-	Australian Competition and Consumer Commission
ADR	-	Australian Design Rule
AN	-	Australian National Railways Commission
ANL	-	Australian National Line
AMF	-	Advance to the Minister for Finance
AMSA	-	Australian Maritime Safety Authority
APEC	-	Asia Pacific Economic Cooperation
BASI	-	Bureau of Air Safety Investigation
BSPVES	-	Bass Strait Passenger Vehicle Equalisation Scheme
BTCE	-	Bureau of Transport and Communications Economics
CAA	-	Civil Aviation Authority
CASA	-	Civil Aviation Safety Authority
COPOS	-	Commonwealth Own Purpose Outlays
CRF	-	Consolidated Revenue Fund
CSO	-	Community Service Obligation
DoTRD	-	Department of Transport and Regional Development
EIS	-	Environmental Impact Study
FAC	-	Federal Airports Corporation
FIRS	-	Federal Interstate Registration Scheme
FOI	-	Freedom of Information
FORS	-	Federal Office of Road Safety
GBE	-	Government Business Enterprise
HRD	-	Housing and Regional Development
IASC	-	International Air Services Commission
ICAO	-	International Civil Aviation Organisation
IMO	-	International Maritime Organisation
NR	-	National Rail
NRTC	-	National Road Transport Commission
PBS	-	Portfolio Budget Statements
RDO	-	Regional Development Organisation
SIRA	-	Shipping Industry Reform Authority
SPP	-	Special Purpose Payment
TFES	-	Tasmanian Freight Equalisation Scheme
VER	-	Voluntary Early Retirement