PARLIAMENT OF AUSTRALIA
DEPARTMENT OF THE PARLIAMENTARY LIBRARY

STATES GRANTS (URBAN PUBLIC TRANSPORT) BILL 1978

Date Introduced: 6 April 1978
House: House of Representatives

Short Digest of Bill

Purpose

To provide financial assistance to the States for upgrading urban public transport services.

Background

The Commonwealth commenced assistance to the States for urban public transport projects in the financial year 1973/74, in accordance with a Commonwealth/State Government agreement known as the Urban Public Transport Agreement which was ratified by the States Grants (Urban Public Transport) Act 1974.

The Commonwealth grants two-thirds of the cost of approved projects up to a specified limit for each State.

Major projects have included the acquisition of new rolling stock for train, tram and bus services, new ferries, railway upgrading such as new signalling installations and extensions to services, and improvements to passenger facilities at interchanges and railway stations.

The Urban Public Transport Agreement provides for Commonwealth representation on appropriate State transport bodies concerned with policy and planning aspects of urban transport matters. As a principle proposals are initiated by the States and are subjected to examination prior to approval by the Commonwealth.

The Agreement planned to cover capital cities in the first instance. Later projects took in population centres in excess of 100,000 together with corridors linking these centres to capital cities.

Total payments by the Commonwealth since the commencement of the program in 1973 are expected to exceed $190 million by the end of the current financial year.

The Agreement covered the five financial years to 30 June 1978.
This Bill covers the next five financial years.

**Main Provisions**

Clause 3(1) gives a number of definitions including:

(a) "maximum grant". This is the amount shown in the Schedule to the Bill which allocates sums to each State for the five years from 1 July 1978 to 30 June 1982. The total allocated is $200m. Provision is made in clause 8 for a further amount of $100m. to be allocated as additional grants over the five year period.

(b) "urban area". Together with clause 4 provision is made for the declaration by the Minister of "urban areas". This enables a considerable extension of the scheme. In his Second Reading Speech the Minister indicated that centres of 40,000 would be included.

Clause 3(2) allows all costs associated with preliminary planning, design, estimating and preparation of tender documents to be included in a State’s calculations for a project. Amounts recouped on completion from sale of plant, stores and equipment are to be deducted.

Clause 5 lays down the procedure for submission of proposals and their approval. Aspects covered are:

(a) Requests to States to submit proposals by a given date.

(b) Issue of guidelines for the formulation of proposals.

(c) Requests for additional information about a proposal so that the Minister can determine its social and economic value, relevance to urban transport objectives and policies, relevance to urban development policies and environmental impact.

(d) Variations of proposals by a State after consultation.

(e) Approval by the Minister.

(f) Notification of the amount approved as the estimated cost.

(g) Proposals to vary approved projects.

(h) Variations are effective only after approval by the Minister.

Clause 6 provides for the payment to the States of up to two-thirds of the approved cost of a project. Two-thirds of expendi-
ture during a year is payable, but the total amounts are not to exceed the maximum grant to the State for that year. Expenditure incurred in the first six months of a year as the result of commitments entered into in the previous year is deemed to have been expended in the previous year.

Clause 8 provides an annual amount of $20m. for allocation as additional grants to the States at the Minister's discretion.

Clause 7 allows shortfalls in expenditure of the maximum grant to a State in one year to be added to its grant in subsequent years. The clause also provides for the reallocation of unexpended grants to another State or other States, but this provision only applies to grants made from the additional $20m. for allocation under clause 8.

Clauses 9 and 10 lay down financial procedures which must be followed before the Minister for Finance will make payments. These include:

(a) Advances.
(b) Evidence of expenditure.
(c) A statement of all expenditure on approved projects.
(d) The State Auditor-General's certificate that statements are correct, if the Minister for Finance directs.

Clause 11 makes grants subject to conditions which include:

(a) Inspection of work by a person authorized by the Minister.
(b) Submission of progress reports.
(c) Final reports.
(d) Inspection of plans, designs, tenders or other documents.
(e) Commonwealth representation on an appropriate State planning body.
(f) Repayment of money if conditions are not met.
(g) Repayment of excess payments.

Clauses 12, 13, 14, 15, 16 and 17 cover financial arrangements including:

(a) Repayments by a State.
(b) Payments to States from Consolidated Revenue Fund or Loan Fund.
(c) Borrowing by the Commonwealth.

(d) Reimbursement from Loan Fund of payments made from Consolidated Revenue Fund.

(e) Appropriation of amounts necessary for grants.