

## **Public Road - Related Expenditure and Revenue in Australia**

### **Information Sheet**

This Information Paper details government funding of road related expenditure, by State and Commonwealth governments, as well as motor vehicle revenue for the period 1995 to 1996.

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# PUBLIC ROAD RELATED EXPENDITURE AND REVENUE IN AUSTRALIA

- ◆ Road expenditure in Australia is financed by all three levels of government. At present the Commonwealth Government's direct road funding responsibilities are the construction and maintenance of the 18,500 km National Highway System, Roads of National Importance (RONI) and the Black Spots road safety program. Ownership and control of the road system lies with the States. The Commonwealth Government also supplements State expenditure on these roads through general revenue assistance.
- ◆ The total amount of road related expenditure by the Commonwealth, State and Local governments in 1995-96 was \$6.4 billion.
- ◆ Revenue collected by the Commonwealth and State governments from a selection of motor vehicle taxes and charges in 1995-96 was \$13.5 billion.
- ◆ The presentation of government road related expenditures and motor vehicle revenues does not imply that there is, or should be, any direct linkage between the two. On the contrary, revenue collected by governments from most taxes and charges on motor vehicles is paid into consolidated revenue accounts, along with income from other sources.
- ◆ The BTCE publishes an index of the prices for inputs to road construction and maintenance. Between 1993-94 and 1995-96, the index increased by under one per cent while road related spending increased by over 12 per cent. Much of the increase in government spending was therefore 'real' rather than inflationary.

## GOVERNMENT FUNDING OF ROAD RELATED EXPENDITURE 1986-87 to 1996-97

(Smillion)

GOVERNMENT	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97 <sup>a</sup>
Commonwealth <sup>b</sup>	1311.4	1251.9	1232.3	1358.0	1595.9	1720.4	2177	1552.2	1535.5	1601.7	1623.7
State <sup>c</sup>	1481.3	1473.8	1832.3	2111.1	2557.4	2310.2	2088.4	2440.1	2598.5	3064.3	na
Local <sup>c</sup>	1352.1	1407.9	1427.9	1628.3	1551.3	1569.8	1716.6	1666.6	1710.0	1703.1	na
<b>Total</b>	<b>4144.8</b>	<b>4133.5</b>	<b>4492.5</b>	<b>5097.4</b>	<b>5704.7</b>	<b>5600.5</b>	<b>5981.9</b>	<b>5659</b>	<b>5844.1</b>	<b>6369.0</b>	<b>na</b>

Note Differences in State and local figures from earlier BTCE publications reflect the introduction by the Australian Bureau of Statistics (ABS) of a revised road transport expenditure series beginning at 1961-62. The State and Local government series are only available at the 121 (Road Transport) level of detail and therefore include outlays on the administration and regulation of road users, planning costs and subsidies to public trading enterprises and private sector system operators.

na not available.

a. Commonwealth Budget estimates.

b. Figures provided by the Department of Transport and Regional Development (DoTRD).

c. Figures provided by ABS.

Sources ABS, Government Finance Statistics (unpublished extracts, 1997); DoTRD (pers. comm., 1997).

## BTCE ROAD CONSTRUCTION PRICE INDEX

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96
Index	76.4	80.9	86.1	89.5	96.2	97	98.8	100	102.4	100.6

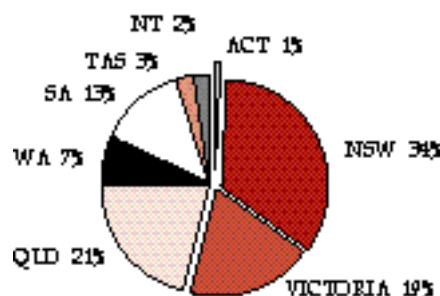
Note These index figures are not strictly comparable pre and post 1993-94 because in preparing the new index, allowance has not been made for changes in the quality of inputs prices, on account of the lack of precise information covering the whole period.

Source BTCE, *Road Construction and Maintenance Price Index*, Information Paper 41, BTCE, Canberra, 1997.

## ROAD RELATED EXPENDITURE BY THE STATES AND TERRITORIES

Proportions of total State expenditure on roads, 1995-96

**N**ew South Wales, Victoria and Queensland account for most of the road related expenditure in Australia. In 1995-96, including Commonwealth grant money, they spent \$2.2 billion, \$1.2 billion and \$1.4 billion respectively.



## COMMONWEALTH EXPENDITURE BY ROAD PROGRAM AND CATEGORY

Australian Land Transport Grants, amounting to \$831.3 million in 1995-96, are the largest single source of road funds provided by the Commonwealth to the states.

### COMMONWEALTH ROAD EXPENDITURE BY PROGRAM AND ROAD CATEGORY 1985-86 to 1997-98 (\$ million)

Item	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97 <sup>a</sup>	1997-98 <sup>a</sup>
<b>ROAD PROGRAM DISTRIBUTION</b>													
Grants													
Australian Bicentennial Road													
Development <sup>b</sup>	408.3	407.1	431.0	248.3	..	..	..	..	..	..	..	..	..
Australian Land Transport Program	805.1	805.5	763.3	425.6	..	..	..	..	..	..	..	..	..
Australian Land Transport													
Development <sup>c</sup>	..	..	..	518.6	1335.1	1381.4	1092.3	1451.2	1014.8	816.1	831.3	800.7	806.0
Urban Public Transport	50.0	53.5	49.2	24.7	..	42.2	86.2	93.2	..	..	..	..	..
Federal Interstate Registration Scheme													
Provincial Cities and Rural Highways ..	..	1.4	4.2	10.8	17.1	14.5	15.9	17.0	20.3	23.6	29.3	20.3	15.3
Black Spots Program	..	..	..	..	..	50.0	60.0	160.2	..	..	..	36.0	36.7
Research	2.0	4.8	4.1	4.3	5.8	9.2	9.8	9.3	8.8	9.1	6.8	8.9	6.6
Other <sup>d</sup>	81.9	39.1	0.1	0.0	0.0	11.0	361.7	362.5	508.3	686.7	734.3	757.8	765.2
<b>TOTAL</b>	<b>1347.3</b>	<b>1311.4</b>	<b>1251.9</b>	<b>1232.3</b>	<b>1358.0</b>	<b>1595.9</b>	<b>1720.4</b>	<b>2176.9</b>	<b>1552.2</b>	<b>1535.5</b>	<b>1601.7</b>	<b>1623.7</b>	<b>1629.8</b>
<b>ROAD CATEGORY DISTRIBUTION</b>													
National roads													
Arterial roads <sup>e</sup>	400.7	382.4	391.9	433.4	508.8	503.4	435.5	583.1	403.6	350.0	371.0	384.0	391.0
Local roads <sup>f</sup>	293.9	252.3	253.2	272.6	303.1	323.8	352.7	362.6	333.3	336.8	358.1	373.9	370.4
Unallocated <sup>g</sup>	93.5	98.8	57.6	39.7	22.9	214.5	275.3	363.0	29.1	32.6	41.3	65.2	62.4
<b>TOTAL</b>	<b>1347.3</b>	<b>1311.4</b>	<b>1251.9</b>	<b>1232.3</b>	<b>1358.0</b>	<b>1595.9</b>	<b>1720.4</b>	<b>2176.9</b>	<b>1552.2</b>	<b>1535.5</b>	<b>1601.7</b>	<b>1623.7</b>	<b>1629.8</b>

.. Not applicable.

a. Commonwealth Budget estimates.

b. Includes expenditure on urban public transport.

c. Provincial Cities and Rural Highways and Black Spots Programs funded through the ALTD Program but not included in these figures.

d. Includes Commonwealth funding for ACT prior to self government in 1989 and also urban public transport in 1990-91, 1991-92 and 1992-93 also includes 'identified road grants' and 'identified local road grants' paid to the States and Local Government respectively for roads.

e. From 1 January 1994 Commonwealth funding has been provided to the States as identified funding for arterial roads.

f. From and including 1991-92, Commonwealth funding has been provided to Local Governments as identified funding for local roads.

g. Includes Federal Interstate Registration Scheme expenditure, sundry expenditure such as road safety, and expenditure for programs such as Black Spots, Provincial Cities and Rural Highways; and Public Transport.

Sources DoTRD ( pers. comm., 1997); Commonwealth Budget Papers (1996)

## MOTOR VEHICLE REVENUE

**T**he Commonwealth and State governments levy taxes and charges on motor vehicle users in Australia. The total amount raised in 1995-96 was \$13.5 billion of which \$8.4 billion (62 per cent) was from Commonwealth petroleum products excise tax.

The State governments raised \$2 billion (15 per cent) from vehicle registration fees in 1995-96. This is their largest source of motor vehicle revenue. Stamp duty vehicle registration fees raised \$1 billion and fuel franchise fees raised \$1.5 billion.

Selected motor vehicle taxes and charges 1995-96

