



# public ROAD-RELATED EXPENDITURE and revenue in Australia 1998

## BUREAU OF TRANSPORT AND COMMUNICATIONS ECONOMICS INFORMATION SHEET II 1998

- Ownership and control of the road system lies with the states and territories. However, 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 18 700 km National Highway System, Roads of National Importance (RONIs) and the Black Spot road safety program. The Commonwealth Government also supplements state and territory expenditure on arterial and local roads through general revenue assistance.
- The total amount of road-related expenditure by the Commonwealth, state, territory and local governments in 1996–97 was \$6.2 billion.
- Revenue collected by the Commonwealth, state and territory governments from a selection of motor vehicle taxes and charges in 1996–97 was \$13.9 billion.
- Presentation in this Information Sheet of government road-related expenditures together with 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.
- Between 1994–95 and 1996–97, the BTCE index of the prices for inputs to road construction and maintenance increased by 1.9 per cent while road-related spending increased by 10.8 per cent. Much of the increase in government spending during this period were therefore 'real' rather than inflationary.

### GOVERNMENT FUNDING OF ROAD-RELATED EXPENDITURE 1987–88 TO 1997–98

(\$ million)

Government	1987–88	1988–89	1989–90	1990–91	1991–92	1992–93	1993–94	1994–95	1995–96	1996–97	1997–98 <sup>a</sup>
Commonwealth <sup>b</sup>	1251.9	1232.3	1358.0	1595.9	1720.4	2176.9	1552.2	1535.5	1601.7	1622.8	1639.4
State <sup>c</sup>	1593.6	1832.3	2111.1	2572.9	2449.4	2264.4	2484.7	2638.4	3034.9	2839.5	na
Local <sup>c</sup>	1415.7	1437.2	1645.3	1564.1	1581.8	1725.8	1608.5	1461.5	1701.7	1784.4	na
Total	4261.1	4501.8	5114.5	5733.0	5751.6	6167.1	5645.5	5635.5	6338.3	6246.8	na

*Note* Differences in State and local figures from BTCE Information Sheet 9, May 1997, reflect improved treatment of data by the Australian Bureau of Statistics (ABS) at the state government level, and the netting out of transport 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 (1997a); ABS (1998a); BTCE (1997a); DoTRD (1998).

## BTCE ROAD CONSTRUCTION AND MAINTENANCE PRICE INDEX

	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97
Index	80.9	86.1	89.5	96.2	97.0	98.8	100.0	102.3	102.9	104.2

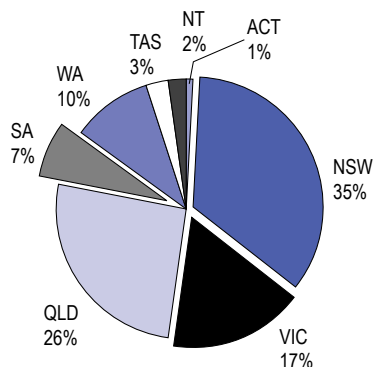
*Note* These index figures are not strictly comparable pre and post 1993-94 due to lack of precise information about the regimen used in the BTCE indexes covering the whole period. Changes and additions to the 1997 BTCE index are due to improved estimates of input cost indexes.

*Sources* AECF (1997); ABS (1997b); ABS (1997c); ACCC (1997); BTCE (1997b); Shell Australia (1997).

## Road-related expenditure by the states and territories

### Proportions of total state expenditure on roads 1996-97

Percentages do not add to 100 due to rounding



New South Wales, Victoria and Queensland account for most of the road-related expenditure in Australia. Including Commonwealth grant money, they spent \$2.2 billion, \$1.1 billion and \$1.6 billion respectively in 1996-97.

**A**ustralian Land Transport Grants, amounting to \$801.2 million in 1996-97, are the largest single source of road funds provided by the Commonwealth to the states.

## COMMONWEALTH ROAD EXPENDITURE BY PROGRAM AND ROAD CATEGORY 1986-87 TO 1998-99

(\$ million)

Item	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98 <sup>a</sup>	1998-99 <sup>a</sup>
<b>ROAD PROGRAM DISTRIBUTION</b>													
<b>Grants</b>													
Australian Bicentennial Road Development <sup>b</sup>	407.1	431.0	248.3	..	..	..	..	..	..	..	..	..	..
Australian Land Transport Program	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	801.2	814.9	804.2
Urban Public Transport	53.5	49.2	24.7	..	42.2	86.2	93.2	..	..	..	..	..	..
Federal Interstate Registration Scheme	1.4	4.2	10.8	17.1	14.5	15.9	17.0	20.3	23.6	29.3	20.1	20.3	15.3
Provincial Cities and Rural Highways	..	..	..	..	87.6	94.5	83.5	..	..	..	..	..	..
Black Spot Program	..	..	..	..	50.0	60.0	160.2	..	..	..	36.0	36.6	37.3
Research	4.8	4.1	4.3	5.8	9.2	9.8	9.3	8.8	9.1	6.8	8.3	6.2	2.4
Other <sup>d</sup>	39.1	0.1	0.0	0.0	11.0	361.7	362.5	508.3	686.7	734.3	757.3	761.4	792.1
<b>TOTAL</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>1622.8</b>	<b>1639.4</b>	<b>1651.2</b>
<b>ROAD CATEGORY DISTRIBUTION</b>													
National roads	577.9	549.2	486.6	523.2	554.2	656.9	868.2	786.2	816.1	831.3	710.5	702.7	690.0
Arterial roads <sup>e</sup>	382.4	391.9	433.4	508.8	503.4	435.5	583.1	403.6	350.0	371.0	383.4	391.0	405.5
Local roads <sup>f</sup>	252.3	253.2	272.6	303.1	323.8	352.7	362.6	333.3	336.8	358.0	373.9	370.4	386.6
Unallocated <sup>g</sup>	98.8	57.6	39.7	22.9	214.5	275.3	363.0	29.1	32.6	41.4	155.1	175.3	169.1
<b>TOTAL</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>1622.8</b>	<b>1639.4</b>	<b>1651.2</b>

.. Not applicable. a. Commonwealth estimates. b. Includes expenditure on urban public transport. c. Provincial Cities and Rural Highways and Black Spot programs funded through the Australian Land Transport Development Program but not included in these figures.

d. Includes Commonwealth funding for 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 Spot, Provincial Cities and Rural Highways and Urban Public Transport.

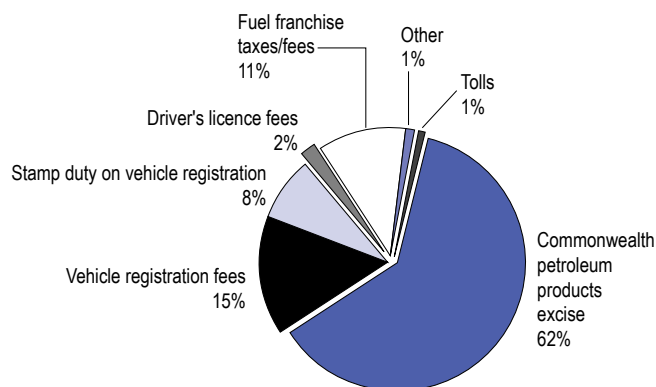
*Sources* Commonwealth of Australia (1997); DoTRD (1998).

## Motor vehicle revenue

The Commonwealth and state and territory governments levy taxes and charges on motor vehicle users in Australia. The total amount raised in 1996–97 was \$13.9 billion, of which \$8.6 billion (62 per cent) was from Commonwealth petroleum products excise duty.

State and territory governments raised \$2.1 billion (15 per cent) from vehicle registration fees in 1996–97. This is their largest source of motor vehicle revenue. Stamp duty collected on vehicle registration fees raised \$1.1 billion, and fuel franchise fees raised \$1.6 billion.

### Selected motor vehicle taxes and charges 1996–97



Following the High Court judgment in *Ha and Lim v. New South Wales and Walter Hammond and Associates Pty Ltd v. New South Wales*, delivered on 5 August 1997, the Commonwealth has, since 7 August 1997, collected 8.1 cents per litre in additional excise on petrol and diesel. The additional excise is collected on behalf of the states and territories, who in turn make rebates or refunds to producers and wholesalers in order to leave them in the same position as they were under the previous system of state-imposed business franchise fees.

The following tables present road expenditure and revenue as time series broken down into specific categories of interest. Expenditure is distributed by state and territory, and revenue from selected motor vehicle taxes and charges is shown by major source at the Commonwealth, state and territory government levels.

### TOTAL ROAD-RELATED EXPENDITURE BY STATE/TERRITORY 1987–88 TO 1996–97

(\$ million)

Government	1987–88	1988–89	1989–90	1990–91	1991–92	1992–93	1993–94	1994–95	1995–96	1996–97
NSW	1509.8	1570.4	1988.4	2420.0	2321.7	2198.9	2082.1	1918.7	2190.1	2179.0
VIC	999.8	991.1	1046.2	1002.8	1135.9	1346.9	1099.5	1224.9	1166.1	1071.1
QLD	843.6	858.7	883.7	1118.5	1088.0	1245.1	1221.8	1269.6	1491.1	1630.4
SA	275.8	305.6	338.3	352.1	348.4	399.6	345.6	376.3	430.0	418.3
WA	371.0	411.1	468.4	475.7	502.5	597.7	520.5	550.3	738.7	608.1
TAS	135.5	155.1	167.2	164.4	145.4	176.7	162.0	161.6	176.7	190.1
NT	81.1	128.9	104.8	105.2	90.8	120.9	132.0	95.3	109.6	113.6
ACT	44.6	81.0	117.5	94.3	119.0	81.2	82.0	38.6	36.1	36.2
TOTAL	4261.1	4501.8	5114.5	5733.0	5751.6	6167.2	5645.5	5635.5	6338.3	6246.8

Sources ABS (1997a); ABS (1998a); DoTRD (1998).

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## SELECTED MOTOR VEHICLE TAXES AND CHARGES 1987-88 TO 1997-98

(\$ million)

Item	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98 <sup>a</sup>
Commonwealth Government											
Petroleum products excise <sup>b</sup>	4130.4	4542.0	4943.6	5561.9	6016.2	6049.8	7117.9	7927.1	8373.7	8622.0	8823.0
ACT motor vehicle taxes <sup>c</sup>	30.3	38.3	21.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Interstate Registration Scheme											
	4.2	10.8	17.1	14.5	15.9	17.0	20.3	23.6	29.3	20.3	15.3
Sub-total	4164.9	4591.1	4981.7	5576.4	6032.1	6066.8	7138.2	7950.7	8403.0	8642.3	8838.3
State and territory governments											
Vehicle registration fees	1165.0	1242.0	1342.0	1402.0	1606.0	1765.0	1901.0	1970.0	2018.0	2146.0	na
Stamp duty on vehicle registration	516.2	650.7	728.0	641.0	626.0	750.0	872.0	987.0	1052.0	1148.0	na
Driver's licence fees	175.0	190.0	268.0	251.0	184.0	187.0	240.0	299.0	295.0	212.0	na
Fuel franchise taxes/fees	674.3	680.0	1016.0	1061.0	1128.0	1174.0	1346.0	1427.0	1531.0	1570.0	na
Road transport and maintenance taxes	45.0	47.0	63.0	56.0	55.0	79.0	92.0	106.0	101.0	86.0	na
Tolls <sup>d</sup>	59.9	65.4	76.4	83.4	99.8	118.7	134.4	149.5	137.6	136.7	na
Sub-total	2635.4	2875.1	3493.4	3494.4	3698.8	4073.7	4585.4	4938.5	5134.6	5298.7	na
<b>TOTAL REVENUE</b>	<b>6800.3</b>	<b>7466.2</b>	<b>8475.2</b>	<b>9070.8</b>	<b>9730.9</b>	<b>10140.4</b>	<b>11723.6</b>	<b>12889.2</b>	<b>13537.6</b>	<b>13941.0</b>	<b>na</b>

*Note* This table excludes some taxes/fees on motor vehicles such as customs duty and sales tax.

a. Estimate.

b. Estimate of excise attributable to motor vehicles.

c. Prior to the ACT becoming self-governing on 11 May 1989, monies raised via motor vehicle taxes and charges were collected by the Commonwealth Government.

d. Comprises tolls collected from the Gateway Bridge and Logan Motorway in Queensland and from the Sydney Harbour Bridge and Harbour Tunnel in New South Wales, and for the Waterfall/Bulli Tollway and Sunshine Motorway up to 1994-95, after which these two ceased to be tollways.

*Sources* ABS (1997d); Commonwealth of Australia (1997); QMM (1998); RTA (1998); SHT (1998).

### ABBREVIATIONS

ABS	Australian Bureau of Statistics
ACCC	Australian Competition and Consumer Commission
AECF	Australian Earthmovers and Contractors Federation
BTCE	Bureau of Transport and Communications Economics
DoTRD	(Commonwealth) Department of Transport and Regional Development
QMM	Queensland Motorways Management Pty Ltd
RTA	(NSW) Roads and Traffic Authority
SHT	The Sydney Harbour Tunnel

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