



THE POLITICS OF INTERGOVERNMENTAL RELATIONS: THE CASE OF ROAD FUNDING

by

Ian Radbone, B.A. (hons)

Awarded 16. March 1982

Thesis submitted for the Master of Arts

Politics Department
University of Adelaide
May 1981

C O N T E N T S

	Page No.
Chapter One The Politics of Intergovernmental Relations and the Case of Road Funding	1
Chapter Two The Government	43
Chapter Three The Advisory Bureaux	78
Chapter Four Special Interest Groups	99
Chapter Five Commonwealth Road Funding	146
Chapter Six Road Grants to South Australian Local Authorities	197
Chapter Seven Conclusion	230
Appendix A	275
Appendix B	283
Bibliography	291

ABSTRACT

Academic treatment of intergovernmental relations has been dominated by the examination of its administrative and financial aspects rather than those of a political nature. Nevertheless, from those who have dealt with the politics of intergovernmental relations and from the tangential observations of others it has become apparent that there are many conflicting arguments and assumptions as to whether intergovernmental relations are either more or less immune from party political influence than intragovernmental activity.

These arguments and assumptions have been distilled and presented in the form of an introductory debate which precedes a brief outline of road funding in Australia.

A typology is presented which examines the qualities of: (1) the various elements in the governmental process (i.e. administrative, executive and legislative), (2) the advisory bureaux, (the Commonwealth Bureau of Roads and the Bureau of Transport Economics), and (3) the special interest groups. This examination is designed to discover the importance of each of these elements in the decision-making process and to look at those qualities which have relevance to the arguments presented in the introduction.

The road grants made by the Commonwealth and South Australian governments are examined. Commonwealth grants from 1922 to 1969 are briefly reviewed and those from 1969 onwards are compared with the respective advice offered by the Commonwealth Bureau of Roads and the Bureau of Transport Economics. In dealing with state funding, grants to local authorities over a 30 year period are examined in electorates that have at some stage either been marginal or held by a minister responsible for roads, to discover if patterns that are explained only by political factors are evident.

The conclusion reviews the debate and the value of road funding as a case study in light of the findings.

This thesis contains no material which has been accepted for the award of any other degree or diploma in any University and, to the best of my knowledge and belief, the thesis contains no material previously published or written by any other person, except when due reference is given in the text of the thesis.

ACKNOWLEDGEMENTS

A glance at the references of the substantive chapters will indicate my reliance on information supplied by members of organizations involved in the road grants process. On occasion explicit references have been avoided. This is in accord with the wishes of the informant.

ABBREVIATIONS USED

AAA	Australian Automobile Association
AATO	Australian Association of Transport Operators
ACLGA	Australian Council of Local Government Associations
AGPS	Australian Government Publishing Service
ANU	Australian National University
APD	Australian Parliamentary Debates
ARF	Australian Road Federation
ARTF	Australian Road Transport Federation
ATAC	Australian Transport Advisory Council
BPA	Bus Proprietors Association
BTE	Bureau of Transport Economics
CAPD	Commonwealth of Australia, Parliamentary Debates
CAR	Commonwealth Aid Roads (Act)
CBR	Commonwealth Bureau of Roads
CRB	Country Roads Board
CRFFR	Centre for Research on Federal Financial Relations
HD	Highways Department
ITA	Independent Truckers Association
LDRTA	Long Distance Road Transport Association
LDOD	Long Distance Owner-Drivers
LTPD	Land Transport Policy Division (Transport Australia)
NAASRA	National Association of Australian State Road Authorities
PTDA	Professional Transport Drivers Association
RACWA	Royal Automobile Club of West Australia
RAASA	Royal Automobile Association of South Australia
RMC's	Road Maintenance Contributions
SARTA	South Australian Road Transport Association
SAPD	South Australian Parliamentary Debates
TIAC	Transport Industries Advisory Committee
TWU	Transport Workers Union

There was a dirt road through our village. A few weeks before an election the government's party's poll captain, who was ex officio the local road superintendent, would announce that the boys down in Halifax had instructed him to get her ready for pavin'. Men were hired to spread gravel, cut bushes and widen ditches The Saturday before election day the work stopped, and three or four years later (sooner if there was a bye-election) they got her ready for pavin' again.

(quoted, Duff Spafford, "Highway Employment and Provincial Elections", Canadian Journal of Political Science, vol. XIV(1) March, 1981, p.135)

CHAPTER ONETHE POLITICS OF INTERGOVERNMENTAL RELATIONS AND THE
CASE OF ROAD FUNDINGPart I: Politics and Intergovernmental Relations

The subject of intergovernmental relations has been receiving an increasing share of academic interest in recent years. This may simply reflect the growth in intergovernmental relations themselves, occasioned by the increasing scale and scope of governmental activity. Most of the literature on the subject, however, has had as its concern the administrative issues involved. The political dimension has received far less attention.

This study will examine the extent to which political influences impose themselves on the intergovernmental process. It seeks to discover whether intergovernmental processes are more or less subject to political influences than intragovernmental processes.

The term 'political influences' is used here in the fairly narrow sense that has at other times been intended by 'party political', in that different political parties will represent different interests and will have different values concerning the allocation of scarce resources. One can imagine a spectrum of the process of government extending from what is claimed to be objective, rational and expert to what is partisan and value-laden. One end will be peopled by professionals and academics, the other by politicians. The latter end will be that most subject to political influences.

Don Price has described the spectrum from science to politics as one of "from Truth to Power".¹ Price sees four groupings along this spectrum, which he terms estates: the scientific (academic) estate, the professional estate (i.e. that which uses science for non-abstract purposes), the administrative estate, and the political. This thesis will examine the role of the last three only, and will regard the nature of each as more multi-dimensional than "truth" - "power" spectrum would suggest.

Such a spectrum is perhaps unfair in its characterization of the politician's role. Brown and Steel have different view of the parts played by the various elements of the government process. They picture a spectrum which places both experts and pressure groups at the "specific-technical-fact" end, with politicians at the "general-political-value" end.² This is a rather more benign view of politician's role. The political element will temper harsh or blinkered decisions made in the professional and administrative spheres. For example, when referring to the latent power of parliament, Brown and Steel claim that:

"...[when] this latent power is exercised, policies are criticized from a 'political' standpoint, that is, in terms calculated to appeal to the general welfare or to supposedly general principles like equity and good faith."³

Both positions need to be borne in mind when examining the role of parliament. However, this study will generally use the term 'political' influence as Price understands it. It may appear through the influence of sectional interests (as with pork-barrelling), or through the imposition of norms derived from an ideology held by the party in government which is not necessarily shared by the community as a whole.

The fact that the literature to date has not examined the relative importance of political factors on the intergovernmental process is perhaps because intergovernmental relations have until now tended to be examined either in an administrative context,⁴ or in a fairly narrow political context in which governments are seen as reified entities, with 'politics' emanating from the cooperative or conflicting relations between these units.⁵ Literature examining aspects of intergovernmental relations in a public policy context, (by which is meant public administration plus outside, political interests), has largely been confined to the Canadian experience and some of this will be referred to in the following discussion. The literature has however, provided many factors that bear on the question, and these will be discussed in turn.

(1) The problem-solving nature of intergovernmental relations

A great deal of intergovernmental activity, particularly between the States, is designed to overcome joint administrative problems. These problems arise out of the fragmented nature of responsibility that is bequeathed by the federal system of government. Sections 51 and 52 of Australia's Constitution delineate those functions which are the responsibility of the Federal government, the rest being left to the States. It was soon found, however, that the functional separation of powers was impractical and that cooperation between the States themselves and between the Federal government and the States was necessary. The areas in which such cooperation has been found to be necessary range from uniform signalling for our railways to ways in which to overcome the fiscal imbalance between the States.

The existence of two tiers of government has complicated the public administration of Australia, as K.W. Knight has noted:

"The existence of an extra level of government increases, many times over, the complexity of the decision-making process. This would be so even if the powers and functions of the extra level of government were exclusive to it, but we have the additional complication caused by the existence of concurrent powers in some fields of government. Inevitably, then the federal system gives rise to many administrative difficulties, minor and major, at each level of government and over a wide range of the activities."⁶

Inevitably in a federal system, problems arise which need cooperation between governments. Where the problem is largely administrative the problem is recognized by governments of different political hues and tends not to be brought about by the concern for particular sectional interests or partisan values. Rather, it tends to be within a framework of government policy adopted by each of the States and endorsed by the Federal government.

Of course not all intergovernmental activity is of this type. Although the solving of administrative problems is a principal reason why State governments get together, another important reason is to discuss the activities of the Federal government and the effect of these activities on them. These discussions and subsequent action taken by the States, as well as relations between the States and the Federal government cannot be dismissed as mere administrative problem-solving. Activity by the Federal government, particularly concerning the distribution of grants to the States, will reflect political priorities which may or may not accord with those of each individual State or the States taken collectively. Consequently, the States' response to such activity will also be politically motivated. For example, a party may gain power in Canberra having promised sewage disposal systems in the outer suburbs of the capital cities. When fulfilling this promise, it

may antagonize the States by distorting their political priorities by forcing them to direct attention away from areas they consider more important. While the Federal government may rely on the votes of the new outer suburbs, the State government may not.

(2) The need for compromise

Where governments of different political parties are involved it may be expected that policies agreed upon jointly will be purged of political overtones. One consequence of the need to rely on the support of politically hostile governments may be that overtly political programmes will be abandoned. Compromise is needed to avoid the alienation of those whose cooperation is necessary, particularly when uniformity is essential. The desire to avoid antagonism will be a force to minimize the amount of activity undertaken.

A good example of this is the legislation setting up the National Companies and Securities Commission. According to one commentator, the legislation

"...neatly overcomes States' fears of infringement of their rights especially by Canberra, but at the same time sets up a mechanism that should function well, despite the conservatism of some participants."⁷

The legislation is contrasted with the previous government's Corporations and Securities Bill, which is described as "centralist and excessive". However, another view of the result of cooperative federalism in the field of company regulation is that of Dr. John Rose of the Centre for Applied Economic and Social Research, Melbourne University. He sees the mechanism as failing to tackle the objective of a speedy and effective response to market developments, and claims that the Ministerial Council which will provide the guidelines for the various exchange commissions

will be a vehicle for the lowest common denominator.⁸

Despite the varying viewpoints of both commentators, the picture of a moderate apparatus designed not to antagonize any of the States is clear. However, to the extent that such pressures for moderation do exist, they will have an inherently conservatizing effect on the final outcome. It will be conservative in that it will tone down the power and ability of each government to act. The more antagonistic States will be those most closely identified with the private interests involved. The example that has been given of the National Companies and Securities legislation is also an example of the way that the teeth can be drawn on legislation designed to regulate private activity until it is acceptable to the government most sympathetic to the private interests involved. Such a situation will apply to any area in which the extent of government regulatory power is at issue, unless (as is the case with the regulation of trade unions) the Federal Government has independent power to regulate activities that extend across State borders.

It should also be noted that the need for compromise may not be equal for each government concerned. Each governmental unit is not of equal strength to each of the others, and the relative strength will be determined by a large number of factors, such as the length of term in office still to serve, the size of the parliamentary majority, the extent of public sympathy, etc. There are also tactical factors. Precipitate action by one government may force the others to follow suit. Similarly, a government that holds out when agreement has been reached by the others may be in a position to extract further concessions before agreeing.⁹ Such factors may cause the final agreement to reflect the wishes of the most extreme government, rather than the most moderate.

It has been shown that the need for compromise that is inherent in intergovernmental relations can be subject to conflicting interpretations. This is not so in the case of specific purpose grants made by one tier of government to another. The veto power of both State and Federal governments will give partisan interests little opportunity to have their way where governments of different parties are concerned. Generally, projects for funding are nominated by the recipient government. Nominations are subject to veto by the Federal government, and all tiers, whether Federal, State or local, need to be cautious because of the informed nature of the other governments and their access to the media and other forms of influence. Consequently it will be difficult to direct funds to partisan interests. The ambiguity discussed above only arises when the governments concerned need to take on the negative role of regulation. Grants are an aspect of the positive role of government in the community which it serves.

However, while double vetoes can be seen as a means of excluding sectional interests their ability to do this can be questioned. One could question the effectiveness of the veto when many projects are involved. In such cases it may be impossible for the donor government to really see where its money is being spent, simply because it doesn't have the manpower to examine each project. This of course is not the case when a relatively small number of major projects is involved. However it does not follow that the need for compromise will necessarily mean the exclusion of political interests. Instead of being entirely in the interest of one party, a trade-off may be involved in which the resultant outcome is a compromise of the interests of both parties. In either case the outcome will be determined by political factors. Also, it should not be forgotten that double vetoes will only be effective where the

governments are of different parties. Where governments serve the same interests, it cannot be expected that the veto will be used to filter out projects put forward on the basis of political expediency.

(3) The involvement of the public service

Largely because of the multiplicity of governments involved, intergovernmental activity is complex and negotiations on any one issue can last for many years.¹⁰ Both of these factors serve to place intergovernmental relations in the hands of the public service and, to a lesser extent, the executive, at the expense of the parliament. Although parliament is often a necessary part of the process, (for example with S.96 grants and complementary legislation), it is under pressure to simply ratify the agreement reached, especially when uniformity throughout the country is needed.¹¹

R.M. Burns¹² has found that in Canada the role of the public service has also been strengthened by the centralization of political and administrative power. The influence exerted by Federal officials over their provincial counterparts has tended to have a moderating influence on conflicts between Federal and Provincial politicians. However, the recent shift of the pendulum toward provincial independence has had the effect of increasing the influence of Provincial officials, which has occasionally exacerbated conflict. This is more in line with Watts' view of Australian intergovernmental relations:

"...it might be said of Australia with its relatively homogeneous population and historical pressures for centralisation that the one thing that is now keeping the States as vital political entities and hence maintaining federalism, is the rivalry which exists between central and state administrators."¹³

However, this struggle over the maintenance or increase of empires does not necessarily involve competing ideologies, nor competition about

the ends to which power is used. In fact Watts himself notes the mediating influence of the public service in disputes of a political nature.¹⁴ He sees several reasons why its influence should be toward more cordial relations:¹⁵

- (1) Where the officials concerned are specialists, they "tend to have common attitudes, procedures and values derived from sharing a common body of knowledge and objective criteria."
- (2) Professionalization in the public service has encouraged the proliferation of advisory committees, specialised journals, conferences, etc., which facilitate the sharing of ideas and the growth of personal acquaintances.
- (3) Officials with a concern for projects realize the advantages to be gained from sharing costs and other forms of cooperation.

The removal of decision-making functions from the politician's hands has deliberately been encouraged by the setting up of quasi-judicial and research bodies to advise donor governments on the distribution of grants. These are mainly Federal in nature, though under the Commonwealth government's 'New Federalism' policy each State is expected to set up a State Grants Commission to advise on the passing on of general revenue grants to local government. There are many such bodies advising the Federal government, with perhaps the Grants Commission, the Tertiary Education Commission, the Bureau of Agricultural Economics and the Bureau of Transport Economics being the most important. These bodies are designed to assess the competing claims of interest groups in a relatively impartial manner, and base their advice on criteria of efficiency, rationality and fairness, rather than political expediency. In fact Mathews sees this as the main reason for their existence:

"The reason for entrusting the advisory role to statutory bodies rather than government departments is probably due to a desire to ensure that assessments of need in sensitive areas of intergovernmental relations are made, on the basis of what former Labor Prime Minister Whitlam called 'processes of systematic impartial and objective inquiry'."16

While the widespread use of such bodies is of a comparatively recent origin, the search for an impartial way to disburse funds is not. The traditional means of distributing Federal funds has involved the use of a formula. While such a mechanism is obviously open to charges of distortion, it represents an attempt to see that each State is dealt with in a fair manner.

It should not be assumed, however, that public service influence is non-political influence. The public service is not beholden to sectional interests in the way that political parties are, but unless it contains a microcosm of the society it serves, it could be argued that certain class values and norms may predominate over others. This is not to say that a crude class interest will be evident. It may simply be that because of his own relatively comfortable situation, the public servant may prefer policies for their theoretical elegance. This may be at the expense of due consideration to the hardships imposed on those affected.

As an example, the Australian Treasury Department's advocacy of restrictive Friedmanite monetary policies is well known. The Treasury has served as a force to pressure the Liberal cabinet into reducing government expenditure, lowering taxes, shifting resources to the private sector, etc. - in fact pushing for policies supposedly favourable to the Liberal Party's traditional supporters in a manner even stronger than the Liberal Party when in government is willing to undertake.

Similarly, one should not assume the apolitical nature of advisory bodies. Members of these also hold values which will be determined by matters such as educational background and which may not be shared by the community as a whole. The Industries Assistance Commission is a typical example of a professional body struggling to reconcile competing principles in which the relative strength of values held is often the only guide.

The relative power of the public service as against the executive and parliamentary elements is an important issue and should be dealt with further before continuing the discussion of the effect of intergovernmental relations. It is a subject which has received a great deal of attention in the literature. More recently however, debate has been confined to the question of whether the blurring of policy and administration in terms of the actors involved could or should be reversed, rather than whether in fact such a process has occurred.

When they have addressed themselves to the question, many writers have tended to agree with Max Weber:

"Under normal conditions, the power position of a fully developed bureaucracy is overtowering. The 'political master' finds himself in the position of the 'dilettante' who stands opposite the 'expert', facing the trained official who stands within the management of administration."¹⁷

In Great Britain, the policy role of the public service was officially recognized as early as 1920, when the Report of the National Whitley Council Reorganization Committee stated that the duties of "the administrative class" are primarily "those concerned with the formation of policy".¹⁸

Admittedly it is not difficult to find classic texts on administration that assume not only a conceptual distinction between policy and administration, but also a clear separation of the actors involved.¹⁹ However, such texts are of an early vintage, and were usually written before the distinction was seen as problematic. Lepawsky quotes Austen Chamberlain and Herbert Morrison who claimed that from their experiences, the public servant can only seek to dissuade or persuade a minister on matters of policy and that the 'political master' does indeed have the final say.²⁰ More recent British politicians have made the same claim. Edward Heath told a House of Commons Expenditure Committee;

"I would say quite clearly and definitely that the civil servants were under ministerial control. I have absolutely no doubt about it. In my ministerial life this has always been the case."

Sir Harold Wilson told the same committee;

"I have always taken the view that Atlee took years ago; that if a minister cannot control his civil servants, he ought to go..."

Wilson's comment indicates why politicians would like to claim that they are in control. To say otherwise would be an admission of failure. None of the politicians mentioned deny that administrators are deeply involved in policy formulation. All that Chamberlain and Morrison say is that from their experience, the public service will not wilfully disobey or sabotage a ministerial objective. Lepawsky goes on to quote Harold Laski as if in opposition to Chamberlain and Morrison, but in fact a basic agreement is apparent:

"No one who has seen the collaboration of the higher Civil Service and Ministers at first hand will be inclined, except in service to a theory, to argue that it is adequately described as a relation between a superior and his subordinates. Ministers, no doubt, have the final word; but that finality is the outcome of a complex process in which the relevant influences are both too numerous and too intricate to be described by a single category."²³

Today, "hardly anybody" believes in the division between "policy (reserved for the politicians) and administration (which can safely be handled by properly controlled officials)." ²⁴ What is subject to debate is the relative power of the Minister and his officials in the policy process.

An empirical examination of the validity of the popular view has a major obstacle. It is often very difficult to see who is involved in the making of important policy decisions because of government secrecy. This is especially so if the decisions have been made recently. Brown and Steel comment to this effect:

"Individual civil servants are generally found both revealing and helpful by an outside enquirer, so long as he is not obviously wasting their time, or trying to penetrate the mysteries of an essentially political decision. Kingdom tells the story of a young American who wanted to study departmental files in order to find out what part the Chancellor of the Exchequer, the Minister of Health and their respective advisers had played in the decision to impose National Health changes in 1951. 'Wherever he went in London he received literally nothing but courtesy'." ²⁵

Hill concludes that the best the enquirer can do is make shrewd use of published information and journalists' gossip. ²⁶ If the researcher does receive useful but confidential information from a public servant (which is perhaps more likely in Australia than in the U.K.), then there is the possibility that he cannot use the information, or, if he does, cannot adequately cite his source. This, and the reliance on journalists' gossip will of course weaken the argument presented.

(4) The effect of holding ministerial meetings in private

Where the executive is involved in intergovernmental activity contact has tended to become formalized to a point where standing executive councils cover most areas of governmental activity. In the Department of the Prime Minister and Cabinet's handbook, Australian-State

Government Cooperative Arrangements (1975), every Federal portfolio except Capital Territory, Postmaster-General's and Special Minister of State regularly involved some formal meetings with executive counterparts in the States.

It can be argued that because the holding of such meetings is usually behind closed doors, "grand-standing" on the part of ministers is reduced. Public posturings and ideological rhetoric can be dispensed with in favour of rationality and a circumspect manner.

The Australian Agricultural Council, which has served as a prototype for other joint ministerial organizations, has been perhaps the most obvious example of the harmony that can be achieved away from the public eye. F.O. Grogan, in assessing the Council, notes that largely because meetings are held in camera

"...the frank, amicable and full discussion that is possible in the Council undoubtedly does much to prevent exacerbation of feelings between the States and to obviate precipitate or one-sided action."²⁷

and further,

"The impression emerges of an effective piece of administrative and consultative machinery providing solutions to difficult problems that will not only be workable but which will satisfy the tests of democracy and federalism in government."²⁸

However, a cynical view of executive meetings behind closed doors may have it that they provide the politicians with an opportunity for horse trading and political wheeler-dealing of a far more blatant nature than would be permissible if the manouverings were subject to public view. Murray Edelman claims that in such circumstances "bargaining language" will be used.

"The bargainer...offers a deal, not an appeal. A public reaction is to be avoided, not sought. A decision is to be made through an exchange of quid pro quos, not through a rational structuring of premises so as to maximize or satisfice, values. It is a prerequisite to bargaining that values be incompatible not shared."²⁹

Such deals may or may not be carried on in a grand-standing manner, depending on the style of the individuals involved. It may be that a politician who cultivates an avuncular image in public may be disposed to be far more ruthless behind closed doors.

These differing interpretations can only be resolved by an empirical examination, though once again, such an examination is hampered by the confidential nature of the reports of executive meetings.

(5) Special interest groups

A second effect of ministers holding regular meetings in private may be to shut out the influence of private interest groups and political parties. The whole paraphernalia of intergovernmental relations: joint committees, working parties, ministerial councils, etc. will tend to exclude overtly political influences.

Richard Simeon's important study of Canadian federalism, Federal-Provincial Diplomacy shows that private interest groups join the legislature in merely forming part of the 'audience' - uninfluential onlookers. Simeon found that federal-provincial bargaining machinery was tightly organized, and allowed little access for those affected:

"Affected groups are not invited to participate or make their views known. The relative secrecy of debate means group leaders may often be unaware of developments in federal-provincial negotiations which might involve them. To the extent that the mechanisms we have described become a central arena for policy formulation and form the major pre-occupation for both federal and provincial policy matters, the process thus limits the number and scope of participants in policy-making."³⁰

Apart from the fact that there is rarely provision made for interest groups to be heard in the mechanisms of intergovernmental relations, a primary reason why interest groups do not fare well is that the goals of the participating governments are seen in terms of the relationships between governments, and not between a government and a sector of the community.³¹ For example Simeon notes that when Ottawa was faced with demands for assistance to higher education, it found that it had to worry more about the provinces than the universities. Consequently, even though the universities wanted direct assistance from the Federal government, they had to be content with the funds being routed through the provincial governments.³² Furthermore, even in cases in which the government sets out to represent a particular interest group, these interests tend to be poorly served:

"At best interest group concerns will form only a part of a government's goals and, to the extent that they are less central than status or ideological goals, they will be the first to be jettisoned in the conference room."³³

In opposition to the belief that the federal system denies pressure groups access to the government process is the so-called "multiple-crack" thesis. This holds that the federal system in fact presents private interest groups with a number of points at which they can bring pressure to bear on the government process. The term "multiple crack", having the double meaning of fissures which can be used by private elements to have a "crack" at the policy-making process, was first applied to the American political system by Morton Grodzins.³⁴ His arguments, however, rely on the loosely articulated nature of the American party system. Totten Anderson linked the concept with the nature of intergovernmental relations:

"Each level of government makes policy in its own jurisdictional orbit and each is surrounded by a characteristic constellation of interest groups. Common points of access are provided in the constant struggle between the executive, legislative, judicial and

administrative branches of government and areas of conflict between national, state and local officials. Influence flows between all echelons of the federal political hierarchy. The common practice of reciprocal interventionism between the branches and levels of government officials offers added opportunities for pressure group action. Whether working inside government or exerting pressure from the outside, interest groups provide a political catalyst for the incidence of the division and separation of powers within the federal system."³⁵

The intrigue of intergovernmental activity, far from shutting out pressure groups, actually advantages them.³⁶ In funding matters especially, any level of government is fair game:

"If the battle is lost in lobbying a congressional committee, the attack may be renewed at the State house, or at city hall, or through a propaganda campaign directed to the public."³⁷

Richard Shultz undertook a study of Canadian transport regulation policy to test the validity of the opposing arguments on interest group access.³⁸ He found that the trucking associations were courted by both the Federal and Provincial levels of government; a finding which led him to reject Simeon's arguments. However, Schultz also noted that the interest groups themselves may be weakened by their own federal or confederate structure. For example, the position of the Canadian Trucking Association was weakened because of the rejection of its policy by one of its members, the Quebec Trucking Association.

The experience of the Canadian Trucking Association points to another problem facing an interest group in a federal system. It may feel the need to match the federal structure of government with a federal structure of its own. Mathews has noted that where this occurs the cohesiveness of the organisation will suffer, particularly if there are strong conflicts of interests between the States.³⁹ In such cases, the group can take either of two paths: do nothing that may antagonize members by requiring that decisions made need the consent of all, or else insist on the principle of majority rules. The former path can render

organization impotent, the latter carries the risk that the organization may be riven by conflicts of interest.

Of course this problem is not necessarily attendant on a federal structure of government. An interest group may take the form of a federation in which the members are not geographically defined at all (for example, a federation of various industries). On the other hand, the interest group may choose to ignore geographical divisions and allow only for national membership. Nevertheless, a federal pattern of government will encourage a similar structure in interest groups, with component members being based on the same geographical divisions as those of the States. In Australia, because the number of States is relatively small, this means that the federations themselves may have only six or seven members, and so be strongly influenced by the divisions between them. The greater the number of members, the more likely it is that the federation can develop a "character" that is autonomous from that of each of its members.

(6) The long-term nature of intergovernmental grants

It can be maintained that intergovernmental grants are relatively free from the vagaries of political ideology and interest because of the long term nature of the legislation upon which grants are made. To facilitate planning, the States usually require that funds be granted on at least a triennial basis. Because the donor government is committed so far into the future by such legislation, it is reluctant to grant amounts that may not be justified by future budgetary situations. The uncertainty instills caution in the donor government, and denies it the flexibility which would enable it to reflect its ideology or interest base more closely.

However a closer examination of these arguments reveals weaknesses. It could be claimed that at most, the long term nature of grants compresses lobbying activity to once every three years, instead of every year. In any case there is little procedural difficulty in passing legislation additional to the periodic grants if the government so wished. Also, while the long term basis of grants may engender prudence as to the total amount spent by the donor government, it does not necessarily follow that the influence of interest groups and ideology in the composition of the grant will be any less. Furthermore, the vagaries of ideology and interest assumed by the argument need to be demonstrated - there is no apparent reason to believe that they should change over periods of less than three years.

(7) Cross-cutting lines of conflict

So far, the arguments in favour of the belief that intergovernmental relations are relatively non-political have tended to see intergovernmental relations in a cooperative light and have ignored conflictual elements. Of course conflict between Canberra and the States, (particularly the peripheral States), is a well known fact of Australian political life. However it could be argued that the real issue in such conflicts is the division of power between the governments involved and not matters of ideology or section interest. For example it is common to find Liberal premiers seeking Labor premiers as allies when in conflict with a Liberal Federal government.

Intergovernmental conflict is usually seen in terms that stress the differing power relationships between governmental units. Russell Mathews illustrates this well:

"The problem of achieving policy coordination is difficult enough, even if the different levels of government genuinely seek a solution to the problem in a spirit of cooperation. However, a greater danger has emerged in Australia during recent years, in that many politicians and public servants have found it rewarding to emphasize divisiveness rather than cooperation, or even to set about creating unnecessary conflicts, in order to gain electoral advantage or power. The federal system has itself been increasingly used as a political weapon, with battle-cries of central power and State rights replacing analysis as the basis of governmental policy."⁴⁰

In fact party political dichotomies will often be blurred by these other lines of conflict. A common concern to hold onto the States' powers against the encroachment of the Commonwealth will often cause the States' political leaders to forget party political differences in order to present a united front to the Federal government.

R.N. Spann has given the following impression of intergovernmental relations in Australia:

"...the dominance in major federal negotiations of relatively solidaristic governments is precisely what has helped to give Australian federalism that international-diplomatic, great-power-negotiation and confrontation flavour..."⁴¹

Spann is at this point discussing the factors which lend credence to G.S. Reid's picture of Australian federal relations as a public drama resembling the relationships between the strongest countries of the world.⁴² Spann makes a very important point when he questions the importance of the 'drama' in determining the real outcome of intergovernmental relations, and refers to Corbett, who suggests that they are "...a kind of blood sport that adds life and drama to our rather dull politics, without necessarily deciding anything important."⁴³

To see intergovernmental conflict in this light encourages the view that each government is much the same as each of the others and that the basis of conflict is simply a struggle over the division of power.

An alternative view is that each government is not the same as the others; that they differ because they reflect interests that are spread unevenly throughout the States. One State may represent manufacturing interests, another agricultural, and so on. The latter view would have intergovernmental conflict as highly political, being essentially a conflict between sectional interests.

Which view is more accurate depends in part on how similar the States are in terms of their collectivities of interests. If each State has the same industries in the same order of importance, the idea of like governments conflicting only on matters of the distribution of power among themselves would indeed be applicable. If on the other hand industries are unevenly distributed throughout the country, the alternative view that conflicting governments represent conflicting interest groups is more plausible.

Compared with the considerable differences normally encountered in international relations, or in the federal systems of Canada⁴⁴ or the United States, those between the Australian States are not of great significance. Excluding agricultural employment, each State has about 20% of its workforce employed in the wholesale and retail trade, 20% in community services, a small proportion in mining (the highest being 5.4% in Western Australia), and so on.⁴⁵ However, these broad categories can be misleading. While for many policy matters interest groups can be aggregated in this way, on others one needs to be concerned with more detailed distinctions. Here the differences can be greater. For example, while the clothing and footwear industries employ 3.2% of Victorian workers, the next highest proportion is only 1.5% (N.S.W.) and in all other States, under 1%.⁴⁶ No doubt on other matters (such as

alumina refining) one will find important industries in some States which don't exist at all in others.

There are other matters which may exaggerate the differences which do exist. The multiplier effects of some industries may make them relatively more important than the numbers directly employed would suggest. This is not to say that governments will necessarily take such considerations into mind. In fact they may be relatively unconcerned about employment generally, placing more importance on matters such as revenue potential, prestige, etc. What factors they do stress may depend on ideology, thereby injecting another potential element of variation between the States. It may also be argued that our method of electing governments, (i.e. governments being formed on the basis of a majority rather than an overall consensus), will also exaggerate marginal differences. For example, the proportion of the population involved in agriculture may vary little between the States but what differences there are may be sufficient to cause major differences in the political complexion of the governments concerned.

However, the behaviour and stance adopted by a State government when dealing with interests within the State may differ from those adopted when dealing with other governments. Where a State may be quite partisan in its intra-State dealings, it will tend to see itself as representing the community as a whole when in an intergovernmental context. For example, a State Labor government elected largely by city voters will still act to protect primary industry when such industries are threatened by the action of another government or governments. What is in question is its enthusiasm to do so.

While the exaggerating effect of the political system can be discounted to some extent, this still does not mean that sectional interests will have little part to play in intergovernmental conflict. As well as the imbalance of industries referred to earlier, conflicts can arise between the Federal and State governments simply because the former is responsible for the interests of the country as a whole, which may conflict with these of each State when taken individually. The dispute between the Federal government and the State governments of Western Australia and Queensland over mineral export guidelines is a well-known example.⁴⁷ Certainly the States were upset that their power to set prices for minerals was being challenged by the Federal government. More importantly, however, the Federal government was threatening to destroy the system whereby the States compete with each other for the mineral export industries - a system which obviously favours the mining companies. In this dispute the States can be seen as acting on behalf of sectional interests.

Summary

A primary purpose of the foregoing discussion has been to demonstrate that the discussion of intergovernmental relations has few certainties. Practically every point made can be questioned and reinterpreted. Arguments which would claim intergovernmental relations are relatively free from political influence largely rest on a rather idealized view of the process. This view has governments acting together to solve joint problems, with the tone being set by what Smiley calls "personalised fabric of cooperation"⁴⁸ - that is by the thousands of largely unreported meetings, conferences and telephone calls every year between officials of the Federal and State governments.

The criticisms have tended to stress the conflictual nature of intergovernmental relations and placed more stress on the role of the Minister. They have also offered reinterpretations of features put forward to demonstrate why politics is relatively unimportant. The view of reasonable, pragmatic ministers discussing matters of common concern has been replaced by an interpretation of such meetings as venues for cynical horse-trading. The effect of intergovernmental cooperation being a force for moderation has been reinterpreted as a force inhibiting government activity and so benefiting some sections of the community at the expense of others. Finally, the view that the process of intergovernmental negotiation excludes outside interests has been opposed by the view that such interests are actually advantaged by the process.

For the conflicting arguments to be satisfactorily resolved they need to be empirically tested. The actual effectiveness of double vetoes needs to be examined. So too does the nature and extent of parliamentary influence. The influence of the politician needs to be examined to see whether it is a vehicle of sectional interests or a means of upholding general community values. The advice of the public service needs to be examined to see whether it is relatively non-political, or whether it typically exhibits evidence of a blinkered view resulting from the influence of an ideology unhampered by the felt need to reconcile opposing views and interests. A similar situation applies with professional research bodies.

Even if the advice of the public service does prove to be relatively non-political, it then needs to be shown that its advice regularly prevails. There may indeed be a great deal of interaction between officials in order to produce solutions to administrative

problems, but does the same occur before decisions of the distribution of thousands of millions of dollars in State grants? If it does occur, how much is the result of such activity taken into consideration by those ultimately responsible for the decision?

When investigating whether the long term nature of intergovernmental grants inhibits political influence, one needs to examine the assumption contained within the critique that amendments to the original legislation, brought about through interest group pressures, or a change in ideology (when a change in government occurs) are in fact a relatively simple affair.

A test of the assumptions made and an examination of the validity of the varying interpretations might be made by a review of the existing literature. However, in the case of Australia at least, such literature is patchy. For this reason, a case study has been chosen to empirically examine the factors involved.

This study will look at Commonwealth decision-making affecting all of the States, but will concentrate on the South Australian case when examining State government decision-making. This pattern will also apply to the study of the organization of special interests; the national bodies will be examined, but the study at the State and local level will generally be confined to the South Australian experience.

This is done for obvious reasons of accessibility. To broaden its compass to include all State would enlarge the study beyond a manageable compass. However it is assumed that there will be sufficient similarities between the States to permit some generalization of findings and conclusions.

To present the case study, the substantive chapters will be divided into two parts. The first will be a typology of the various elements involved - the public service departments, the research bureaux, the executive element and the various special interest groups. As well as an examination of the role of these elements, an attempt will be made to measure the relative influence of each.

The second part will examine funding decisions made at Commonwealth and State levels. A brief history of the formulae used will be followed by a more intensive comparison of recent Commonwealth grants with the respective recommendations given by the Commonwealth Bureau of Roads and the Bureau of Transport Economics. At the State level, a study of South Australian government grants to local government bodies will attempt to detect whether there are funding patterns which have been determined by political criteria.⁴⁹ The conclusion will review the questions of politics and intergovernmental relations to see what evidence the study of road funding brings to bear. However before moving onto the substantive study, it is necessary to introduce the subject of the case study.

Part II: Roads as a Case Study

It is unlikely that the subject of any case study could adequately provide answers to all the questions posed. However for several reasons road funding is more favourably placed than most.

The first of these reasons is the size of amounts spent. Some \$2,400 million was spent on roads by public authorities in the 1979/80 financial year.⁵⁰ Figures for 1979/80 are not yet available, but in 1978/79 the Commonwealth provided 27.3% of road funds, (including

intergovernmental transfers), the States 32.6% and local government, 40.1%. Since 1974/75 the Commonwealth's share has dropped from 32.2%, the States' has risen from 26.1 percent and local government's has dropped slightly from 41.7%, (see Table 1.1).

TABLE 1.1

PERCENTAGE SHARE OF ROAD FUNDING BY LEVEL OF GOVERNMENT1974/75 TO 1978/79

	1974/75	1975/76	1976/77	1977/78	1978/79	average
Commonwealth	32.2	30.0	29.4	28.5	27.3	29.2
State	26.1	27.6	30.0	31.5	32.6	30.0
Local	41.7	42.4	40.6	40.0	40.1	40.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Bureau of Transport Economics, An Assessment of the Australian Road System: 1979, Australian Government Publishing Service (A.G.P.S.), Canberra, 1979, table 6.5.

Compared with the State and local levels, road expenditure is a fairly small and shrinking proportion of the Commonwealth budget. In 1979/80 about 1.9% of Commonwealth budget outlays went to roads. A similar figure is expected for 1980/81.⁵¹ The average annual growth rate of road grants from 1974/75 to 1980/81 (est.) was 9.1%, compared with an average budget growth of 12.6% (see table 1.2)

TABLE 1.2

COMMONWEALTH GRANTS TO THE STATES FOR ROAD AND TOTAL BUDGET OUTLAYS1974/75 TO 1980/81 (\$m)

	Budget Outlays	% increase	Road Grants	% increase
1974/75	17,831		362.8	
1975/76	21,859	22.6	433.5	19.5
1976/77	24,124	10.4	433.8	0.1
1977/78	26,802	11.1	477.9	10.2
1978/79	29,045	8.4	508.0	6.3
1979/80	31,694	9.1	546.0	7.5
1980/81 (est)	36,037	13.7	606.9	11.2
Average growth		12.6		9.1

Sources: Australian Treasury, Budget Paper No. 1, Statement No. 1, 1974/75 to 1980/81
 Australian Treasury, Budget Paper No. 7, 1978/79, table 42 and 1980/81, table 43.

In 1978/79 (the most recent year for which figures are available), the States spent 6% of their budgets on roads (see table 1.3). The average growth rate of that sector for the previous five years was 12.8%, compared with a total expenditure growth of 15.3%. Corresponding rates for the South Australian State government are 10.7% and 11.65%. In 1978/79 7.5% of South Australia's budget was spent on roads.

TABLE 1.3

STATE GOVERNMENT EXPENDITURE FOR ROADS AND TOTAL BUDGET EXPENDITURE

	1974/75 TO 1978/79 (\$m)*					
	All States			South Australia		
	Roads	Total+	Roads %	Roads	Total+	Roads %
	exp.	total exp.	total exp.	exp.	total exp.	total exp.
1974/75	572	8763	6.5	63.42	821	7.7
1975/76	678	10876	6.2	74.00	1035	7.1
% increase	18.5	24.1		16.7	26.1	
1976/77	761	12488	6.1	85.615	1183	7.2
% increase	12.2	14.8		15.7	14.3	
1977/78	814	14127	5.8	85.36	1192	7.2
% increase	7.0	13.1		- 0.3	0.7	
1978/79	924	15449	6.0	94.58	10258	7.5
% increase	13.5	9.3		10.8	5.5	
Total for period	3749	61703	6.1	401.975	15489	8.3
% increase	12.8	15.3		10.7	11.65	

* includes intergovernmental transfers
+ excludes non-budget authorities

Sources Figures for all States have been derived from Australian Bureau of Statistics, Government Financial Estimates Australia 1979/80 (Cat. No. 5501.0) table 1. Figures for South Australia are from the S.A. Highways Department, Annual Report 1978-79 App. C, and the summary table of S.A. Parliamentary Paper no. 9, Details of Estimates of Expenditure of the South Australian Government for the years ending June 1976 to June 1980.

Unfortunately table 1.3 necessarily includes intergovernmental transfers. Because of the declining proportion contributed by the Commonwealth, the States have had to increase expenditure from their own sources by amounts great than those indicated. The B.T.E. has calculated that the States' average increase in road expenditure from its own sources from 1974/75 to 1978/79 was in fact 18.3%.⁵² Figures from the Highways Department's Annual Report indicate that the equivalent figure for South Australia is 15.7%.⁵³

There are no available figures on the share of local government expenditure allotted to roads, although it is well known that road expenditure forms a much more important part of the local government budget than it does of State and Federal budgets. The B.T.E. estimates that an average of 35% of local government expenditure goes on roads,⁵⁴ and that the growth rate for the five years to 1978/79 has been 10.9%.⁵⁵

All Commonwealth grants for roads are directed to the State governments, and it is up to the States themselves to decide how much will be passed on to local government. In this they are constrained by the Commonwealth specification that a certain proportion must be spent on 'local' roads. (The placement of roads in particular categories for grants purposes is determined by the Commonwealth Minister, on advice from the various State road authorities.) However, because local roads may be the responsibility of the State road authority, the proportion of grants for local roads passed on to local government can vary considerably from State to State, depending on the State's policy regarding taking responsibility for local roads. In South Australia, for example, it has been calculated that the Highways Department has responsibility for 14% of roads classified as "rural local" and 1% of roads classified as "urban local" under the classification adopted by the National Association of Australian State Road Authorities.⁵⁶ Also of course, proportions of grants passed on to local government can depend on the proportion of roads classified as "local", (that is, the proportion of the road network not the responsibility of the State road authority). Presumably with these factors in mind, Russell Mathews found that the proportion of roads grants passed on to local government in each State in 1976/77 was as follows:⁵⁷

31.

N.S.W.	15.1%
Victoria	32.4%
Queensland	13.0%
South Australia	9.9%
Western Australian	31.3%
Tasmania	16.7%

In arriving at these variations, Professor Mathews does not state whether they include grants passed on to local government from State sources. In South Australia, the State government has traditionally supplemented Commonwealth grants with grants from State revenue, though recently the State government has claimed that Commonwealth grants for local roads have been so adequate that its supplementary contribution has dropped to a fairly nominal amount in 1978/79, \$279,436.⁵⁸

Although it is likely that a decreasing proportion of overall government budget outlays has been spent on roads recently, roads are still an important item of expenditure, particularly in an intergovernmental context. 12.2% of the Commonwealth's specific purpose grants were earmarked for roads in 1979/80,⁵⁹ and of course a further unspecified amount of general purpose grants, (particularly those directed to local government), would have been spent on roads.

Funds for roads that are raised at the Federal and local level come from general revenue, although from 1931 to 1959 Commonwealth fuel taxes were earmarked for roads. Since 1959 fuel taxes have grown steadily larger than road grants. Only at the State level is the 'user pays' principle adopted. The revenue from roads is determined by the amounts raised by various taxes on vehicle ownership and usage - notably,

vehicle registration charges, licence fees, and in some States, a petrol franchise tax. In 1978/79 they comprised 17% of State taxation.⁶⁰ There are other fairly minor charges paid by road users, such as stamp duty on vehicles and third party insurance. These are usually paid into consolidated revenue.

As we shall see in Chapter Four, the earmarking of State motor taxes has tended to nullify them as a political issue. In the past the exception has been road maintenance contributions, which was a ton/mile tax imposed upon freight carriers. Due to difficulties in collection, it was both inefficient as a revenue raiser and inequitable in that only the honest and the unlucky dishonest paid. The removal of road maintenance contributions was a condition laid down by truck drivers involved in the blockade of Australian cities in April, 1979.

Apart from the non-metropolitan councils in Western Australian (which are often responsible for vehicle licensing), local government makes no significant charges on the road user, other than for parking by some city councils. Revenue raised at the local level is not an issue for road users.

As mentioned above, all Commonwealth money spent on roads, either directly or by way of grant, comes from consolidated revenue. Revenue collected by the Commonwealth from road users is paid into consolidated revenue. There are a variety of taxes, excises and duties levied by the Commonwealth which affect the road user. Unfortunately, it is impossible to separate amounts paid by road users from total levies and duties, because an appropriate breakdown is not available. Fortunately, figures are available for two of the three main revenue earners, and an estimate

can be made of the third. The biggest of the three as a revenue earner is the excise on crude oil, liquid petroleum gas, and petroleum products. Treasury expects road users to pay about \$3,054 million for the crude oil levy alone in 1980/81.⁶¹ Amounts paid in customs tariffs for road using vehicles and related parts in 1978/79 was \$339.8 million.⁶² Estimating the amount the Federal government receives in sales taxes on the purchase and operation of vehicles is handicapped because sales tax figures are not disaggregated. Various estimates of the proportion of sales tax paid on the purchase and operation of vehicles have been 51%⁶³ (a 1971 figure), 28%⁶⁴ and 32% (a figure which excludes vehicle parts).⁶⁵ If one uses 28% as an acceptable figure, then sales taxes on vehicles in 1978/79 totalled \$495 million.⁶⁶

Under section 51 of the Australian constitution, the funding of Australia's roads (apart from in the territories), is the responsibility of the State governments. However because the Commonwealth has been granting money to the States since 1923, there has grown a de facto responsibility. In addition, the Federal Labor government in 1974 accepted 100% responsibility for designated 'National' roads - generally those linking the capital cities. This responsibility was accepted by the Liberal/Country party government when it took office. What this responsibility actually means is somewhat ambiguous. The Commonwealth Minister for Transport could, if he wished, reject the program of projects for National Roads put forward by the States. To date he has not done so, even though he may publicly claim to differ with the priorities for the States.

A good example here is the Stuart Highway in South Australia. Although the Commonwealth Minister has admitted that he has the power of

approval over projects,⁶⁷ when faced with criticism of the condition of the Stuart Highway, the Minister claimed that "it was the responsibility of the State governments to decide priorities for funds provided for national highway construction".⁶⁸ Each State is allocated a certain amount of money for each category of road each year and it is up to the States to decide which roads within the category the money should go toward. Consequently, if the South Australian government decides that money for National Roads should be spent on the link with Melbourne instead of the link with Alice Springs there is little the Commonwealth can do. Why the Commonwealth has not exercised its legislative powers and forced the South Australian government to spend more national roads money on the Stuart Highway is not clear. It is probably either because it regards the rejection of a program as too drastic a step or because there is really covert agreement between the Commonwealth and the South Australian government over priorities for National Roads, or some combination of these two.

Not only is the responsibility for the determination of priorities ambiguous, so also is responsibility for their funding. As mentioned above, the Commonwealth accepts full financial responsibility for National Roads. In practice, however, practically all the States find they need to supplement the Commonwealth money with funds from their own resources. (In 1977/78, for example N.S.W. was the only State not to do so. The South Australian government added \$3.7 million from its own resources to the \$16.9 million grant by the Commonwealth.⁶⁹) In this they are 'encouraged' to such an extent by the Commonwealth that the States have been forced to accept some de facto responsibility for National Roads. For example in a December 1978 press release criticizing the Western Australian government, the Commonwealth Minister (Mr. Nixon), stated:

"While the States, including Western Australia, are not required to contribute their own funds to be eligible for these national highways grants, some States do use a portion of their own funds to enable planned works with a high State priority to be advanced. During this period, Western Australia has only contributed some \$6 million toward national highways construction projects."⁷⁰

The State governments may choose to devolve all or part of their constitutional responsibility for roads to local government if they wish. In South Australia responsibility for roads has been given to local government except for the South Eastern Freeway, roads in areas not covered by local government, and those roads for which the Commissioner for Highways accepts responsibility under Section 26 of the Highways Act.⁷¹ The relevant sections of the Highways Act are designed to provide maximum flexibility for the State government. If he wishes to either take up or hand back responsibility for a road it is simply necessary that the Commissioner obtains Ministerial approval and gives written notice to the Council concerned. However, as is the case with the Commonwealth and the States, the de facto situation is very important here. Without a dramatic reorganization of the fiscal balance between the State government and local government, it is inconceivable that the State government would ever hand back financial responsibility for any of the more important arterial roads in either the country or the metropolitan area.⁷²

In addition to factors outlined so far, road funding has other advantages for use as a case study of intergovernmental relations. In South Australia, road funding has been a shared responsibility between the State government and local government ever since the latter was created. During the long period of joint funding, a great deal of intergovernmental machinery has developed. Road funding and construction has spawned a plethora of official committees, working groups,

conference, etc. to aid cooperation.

The Australian Transport Advisory Council is a well established venue for regular meetings of the Commonwealth and State ministers. The National Association of Australian State Road Authorities provides similar opportunities for the heads of the road authorities.

There are several professional research bodies that have been set up to advise the various governments concerned, the most important being the Bureau of Transport Economics (whose road advisory functions in the roads field were formally handled by the Commonwealth Bureau of Roads), and the technically-oriented Australian Road Research Board.

Federal funding for roads has been usually on either a quintennial or triennial basis, and before the Bureau of Roads was set up to advise the government, distribution was made on the basis of formulae.

Finally, the State road authorities can be expected to have more influence in the development of policy than most State government departments. The reasons for this will be discussed in the following chapter, but it can be noted at the outset that most have been given some statutory status. Though consequent powers have been curtailed somewhat since the second world war, the road authorities have generally enjoyed more freedom than most sections of the public service to serve the community as they have seen fit.

It can be seen then, that there are a number of factors which recommend road funding as a case study to examine the questions raised earlier in this chapter. The amounts of money involved make it a

significant area of government activity, particularly intergovernmental activity. The rather uncertain way in which responsibility for roads is divided has made necessary the development of a great deal of intergovernmental machinery, including a standing council of ministers. (It is perhaps the long history of this machinery that has given road funding the reputation of being an area marked by intergovernmental cooperation.⁷³) Federal grants have generally been made on a long term basis and have used both formulae and the advice of professional bureaux. In the State road authorities we have examples of the public service taking a 'high profile' in the decision-making process. All of these elements should enable an empirically-based assessment of the conflicting interpretations one encounters when discussing the influence of political factors on the intergovernmental process.

FOOTNOTES

1. Don K. Price, The Scientific Estate, Harvard Uni. Press, Cambridge (Mass.), 1965, ch. 5.
2. R.G.S. Brown and D.R. Steel, The Administrative Process in Britain, Methuen, London, 1970, p. 160.
3. R.G.S. Brown and D.R. Steel, The Administrative Process in Britain, 2nd. ed., Methuen, London, 1979, p. 209 (emphasis in original).
4. The field in Australia has been dominated by the Centre for Research on Federal Financial Relations (C.R.F.F.R.) at the Australian National University. It's monographs have tended to concentrate on financial or administrative matters. See also two collections edited by Russell Mathews, Intergovernmental Relations in Australia, Angus and Robertson, Melbourne, 1974 and Making Federalism Work. C.R.F.F.R., Canberra, 1976.
5. e.g. Articles by Weller, Sharman and Smith in R.M. Burns (et.al.) Political and Administrative Federalism, C.R.F.F.R. (A.N.U.) Res. Mon. No. 14, 1976, and Jean Holmes and Cambell Sharman, The Australian Federal System, Allen and Unwin, Sydney, 1977.
6. K.W. Knight, "Federalism and Administrative Efficiency" in Mathews (ed.) Intergovernmental Relations in Australia, p. 45.
7. National Times, 17-24 June, 1978, p. 49.
8. Financial Review, 11 August 1978, p. 2.
9. For a discussion of these factors, see G.S. Sharman, "The Bargaining Analogy and Federal-State Relations", in R.M. Burns (et.al.) op.cit., pp. 12-30.
10. J.E. Richardson mentions the example of the attempts to impose uniform companies legislation throughout Australia, which lasted 30 years up until 1960. The resultant statute itself is still the subject of official discussions. See his Patterns of Australian Federalism (C.R.F.F.R. Res. Mon. No. 1, 1973, p. 68.)
11. Perhaps it should not be assumed that parliament will always succumb to such pressure. Certainly from South Australian Premier Playford's experience up until the mid 1960's this was not the case;

"The State legislatures would not consider themselves bound to accept all the ideas [embodied in a draft bill]. Therefore although we might start off with uniform legislation, by the time...it passed through the State parliaments, it would be far from uniform. Queensland might amend one clause, South Australia, another and so on....I am afraid that the State legislatures would take immediate exception if they were told they must accept a model bill without alteration....I should not be prepared to place model legislation before the South Australian parliament and insist that it should not be altered."

- Quoted Richard Heald Leach, Interstate Relations in Australia, University of Kentucky, Lexington, 1965, pp. 133-134.
12. R.M. Burns, "Financial Centralization and Administrative Capacity in Canada", in R.M. Burns, (et.al.) op.cit., pp. 1-12.
 13. Ronald L. Watts, Administration in Federal Systems, Hutchison Educational, London, 1970, p. 75.
 14. Ibid., p. 82
 15. Ibid., pp. 82-3.
 16. Russell Mathews, "Innovation and Developments in Australian Federalism", Publius: the Journal of Federalism, vol. 7, no. 3, (Summer, 1977), p. 11.
 17. From Max Weber: Essays in Sociology, translated and edited by H.H. Gerth and C. Wright Mills, Kegan Paul, London, 1947, p. 232.
 18. Quoted, Albert Lepawsky, Administration, Albert Knopf, New York, 1952, p. 62.
 19. e.g. Charles Edward Merriam, The New Democracy and the New Despotism, McGraw-Hill, New York, 1939 and Frank J. Goodnow, Politics and Administration, originally published in 1900, reprinted by Russell and Russell, New York, 1967. Goodnow writes: "There are, then, in all governmental systems two primary or ultimate functions of government, viz. the expression of the will of the state and the execution of that will. There are also in all states separate organs, each of which is mainly busined with the discharge of one of these functions. These functions are, respectively, Politics and Administration." (p. 22)
 20. Lepawsky, op.cit., pp. 163-64.
 21. Quoted, Peter Kellner and Lord Crowther-Hunt, The Civil Servants: An Inquiry into Britain's Ruling Class, Macdonald and Jones, London, 1980, p. 204.
 22. ibid., pp. 204-5.
 23. Ibid., p. 66.
 24. Brown and Steel, op.cit., (2nd. edition) p. 201.
 25. Ibid, p. 132.
 26. Michael Hill, The Sociology of Public Administration, Crane, Russak and Co., New York, 1972, pp. 207-8.
 27. F.O. Grogan, "The Australian Agricultural Council: A Successful Experiment in Commonwealth State Relations", in Colin A. Hughes (ed.) Readings in Australian Government, University of Queensland Press, St. Lucia, 1968, p. 309.
 28. Ibid., p. 313.

29. Murray Edelman, The Symbolic Uses of Politics, University of Illinois Press, Urbana, 1974, p. 146.
30. Richard Simeon, Federal-Provincial Diplomacy, University of Toronto Press, Toronto, 1972, p. 145.
31. Ibid., p. 128.
32. Ibid., pp. 281-2.
33. Ibid., p. 282.
34. M. Grodzins, "American Political Parties and the American System", Western Political Quarterly, vol. XIII, (Dec. 1960), pp. 974-998.
35. Totten Anderson, "Pressure Groups and Intergovernmental Relations", Annals of the American Academy of Political and Social Science, vol. 359 (May 1965), p. 120.
36. Ibid., p. 122.
37. Ibid., p. 123.
38. Richard Schultz, "Federalism, Bureaucracy and Public Policy: A Case Study in the Making of Transportation Policy" (Unpublished Ph.D., York Univ., 1976). A useful summary of the findings appears as an article entitled "Interest Groups and Intergovernmental Negotiations" in J. Peter Meekison (ed.), Canadian Federalism: Myth or Reality, 3rd. ed., Methuen, Toronto, 1977, pp. 375-396.
39. Trevor Mathews, "Interest Group Access to the Australian Government Bureaucracy", Royal Commission on Australian Government Administration, Appendix, vol. 11, A.G.P.S., Canberra, 1976, pp. 335-5.
40. R.L. Mathews, "Issues in Australian Federalism", (The Tenth R.C. Mills Memorial Lecture, delivered University of Sydney, 18 October 1977). Economic Papers, no. 58, March 1978, pp. 7-8.
41. R.N. Spann, "Responsibility in Federal Systems: A Commentary", in Mathews, Intergovernmental Relations in Australia (op.cit.), p. 39.
42. G.S. Reid, "Political Decentralization, Cooperative Federalism and Responsible Government" in Mathews, Intergovernmental Relations in Australia (op.cit.), pp. 23-25.
43. Spann, op.cit., p. 41.
44. For the Canadian experience, see David J. Elkins and Richard Simeon (eds.), Small Worlds: Provinces and Parties in Canadian Political Life, Methuen, Toronto, 1980.
45. Derived from Australian Bureau of Statistics, Civilian Employees, Australia, March 1980, ABS, Canberra, April 1980 (cat. no. 6213.0), table 5.

46. loc.cit.
47. See, for example, articles in the National Times, 12 May, 1979, p. 30; 23 June, 1979, p. 26.
48. D.V. Smiley, "Cooperative Federalism: An Evaluation" in J. Peter Meekison, Canadian Federalism: Myth or Reality, 2nd.ed., Methuen, Toronto, 1971, p. 325.
49. The nature of decision making in the Australian federal system is that the Commonwealth is responsible for the distribution of its funds to the States and the States are responsible for the distribution amongst local authorities. Local government is not responsible for decisions made in an intergovernmental context, though of course it may be actively involved in the production of those decisions. For this reason local government will be treated as a special interest group in the field of road funding.
50. This figures has been obtained by projecting past growth rates on the last available figures (1978/79), which are contained in the Bureau of Transport Economics (B.T.E.), An Assessment of the Australian Road System: 1979, Australian Government Publishing Service (A.G.P.S.), Canberra, 1979, table 6.4.
51. Derived from Australian Treasury Budget Paper No. 1, 1979-80 and 1980-81, Statement no. 3.
52. B.T.E., op.cit., table 6.4.
53. Derived from South Australian Highways Department, Annual Report 1978-79, Parliamentary Paper no. 37, Adelaide, 1979, Appendix A.
54. B.T.E., op.cit., p. 104.
55. Ibid., table 6.4.
56. Derived from South Australian Higways Department, The South Australian Government Responsibilities with Respect to Roads (Not published) table 1.
57. Russell Mathews, Australian Federalism 1977, C.R.F.F.R., Canberra, 1978, p. 120.
58. Highways Department, Annual Report, 1978-79, app. A.
59. Derived from Australia Treasury Budget Paper No. 7, 1979-80, A.G.P.S., Canberra, 1980, tables 2 and 44.
60. Derived from Australian Bureau of Statistics, Taxation Revenue, Australia 1978-79, A.B.S., Canberra, 1980, cat. no. 5506.0, table 20.
61. Australian Treasury Budget Paper No. 1, p. 227.
62. Derived from A.B.S., Overseas Trade Statistics - Customs Tariffs (consolidated schedules) 1978-79 (microfiche).

63. Derived from Taxation Review Committee (Asprey Committee) Full Report, A.G.P.S., Canberra, 1975, table 27A (includes sales tax on commercial vehicles).
64. In a June 1978 issue of The Open Road, the National Roads and Motorists Association claimed N.S.W. motorists paid \$165 million in sales taxes 'this year' (presumably 1977/78). One third of vehicles registered in Australia are registered in N.S.W. Therefore it is assumed that sales taxes on vehicles in that year were \$495 million - 28 percent of total sales tax receipts for that year.
65. Derived from Commonwealth Bureau of Roads, Report on Roads in Australia 1975, section 11.16.
66. Historical, aggregated sales tax figures appear in tables in A.B.S., Taxation Revenue, Australia.
67. See for example the speech of Mr. Nixon to the International Road Federation, Commonwealth Record (3-9 April 1978), p. 352.
68. Advertiser, 1 March 1978, p. 7.
69. From figures supplied by the Australian Road Federation (S.A. region).
70. Commonwealth Record, 11-31 December 1978.
71. In 1977 the total length of road maintained by the Highways Department was 22,430 kilometres, about one fifth of the State total. See Highways Department, The South Australian Government's Responsibilities... (cited), table 1.
72. For a full discussion of the State government's responsibilities for road in South Australia, see ibid.
73. Ronald L. Watts, op.cit., p. 76.

CHAPTER 2THE GOVERNMENT

In the previous chapter the possible role of the various elements of the intergovernmental process was discussed. In this chapter, those elements will be examined in the light of the road funding case study.

The Public Service: State

It has been suggested that the public servants involved in the intergovernmental process, because of their common background and their specialist qualifications and concerns, will have common interests and share common outlooks. They will see problems in a technical, objective manner and will place such considerations above the considerations of the less technically-minded executive.

Without being party to the decision-making process - that is, either being on hand at or having access to transcripts of important meetings, it is difficult to prove or disprove such claims. However it is possible to assess whether the officers involved do have the common, specialist background that is claimed.

Transport is one area of government activity that attracts technically oriented professionals, and road transport is no exception. The purpose of State road authorities is to construct and maintain roads and bridges and because of this the most common formal qualification necessary is of an engineering type. While such qualifications may not be necessary to perform the functions of the most senior positions it has been suggested by the Organization and Methods Officer within the Highways Department that they assume great importance in any progression

through the middle ranks of the hierarchy.¹ As a road building authority, the Highways Department was not designed to provide a career path for those of a generalist background or those with a professional interest in administration per se. (This is not to say that senior officials of the department are lacking in administrative skills; presumably progression to senior positions requires administrative as well as technical ability and of course it is possible for officials with an engineering background to supplement their qualifications and skills by doing post-secondary courses in administration.)

To find out some details of the qualifications and career patterns of the top administrators of the Highways Department its twenty two most senior officials (branch head and above) were surveyed in December 1979 by means of a distributed questionnaire. For purposes of comparison, a similar survey was carried out on senior officers of the Victorian Country Roads Board. Where tabulation has been possible, results of both surveys are contained in table 2.1.

Twelve of the twenty two Highways Department officials had engineering qualifications in the form of a degree or diploma. For ten of these, their only tertiary qualifications were in engineering. Of those who did not have an engineering background only four had no tertiary qualifications. Four of the six who had 'other' qualifications were in the Administrative and Finance Division and another was in the Management Services Division, and as such were not as involved in relations with other governments as were those in divisions such as Planning and Design and Construction.

A similar pattern appears when one looks at the professional interests as measured by membership of professional associations. All twelve of the engineers belonged to engineering associations, ten claiming membership of the Institution of Engineers (Aust.). Six officers were members of professional bodies but not of those of an engineering orientation. Once again, these were clustered in the Administration and Finance Division and in the Management Services Division.

To some extent it can be assumed that membership of such bodies would determine the reading matter of the officers, as journals such as Engineers Australia (Institution of Engineers) and P.E. News (Association of Professional Engineers) are sent to all members. Unfortunately no clear pattern emerged from an analysis of the distribution list used by the Department's library. The only magazines or journals that were noticeably popular were the 'house' magazines of the other State road authorities, particularly the N.S.W. Department of Main Roads bulletin, Main Roads.

As well as educational background, the career patterns of officers also helps to determine the character of an organization. Here the pattern is of long service with the Highways Department. The average length of service recorded was seventeen years, and this rises to twenty two years if officers from the 'service' divisions are excluded. Furthermore, there was remarkable homogeneity in the type of employment undertaken before joining the Highways Department. 79% of these years were spent either in other agencies of the South Australian public service or with the N.S.W. Department of Main Roads. Almost half (44%) of the 79% were spent with the Engineering and Water Supply Department.

The administration of road construction and maintenance provides plenty of scope for the sort of face to face contact with officers of other governmental units which was discussed in the previous chapter. The major intergovernmental associations which have membership limited to officer level are the National Association of Australian State Road Authorities (N.A.A.S.R.A.), the Australian Road Research Board (A.R.R.B.) and the semi-official Standards Association of Australia. Each of these associations has a multiplicity of supporting committees. Further opportunities for contact arise at the supporting committees of the Australian Transport Advisory Committee (A.T.A.C.) and other national committees such as the Australian Committee on Road Devices, the Australian Government Paint Committee and the National Association of Testing Authorities.

There are also many intra-state committees that bring officials of the Highways Department into contact with those employed by local government authorities. Examples are the Building Inspectors' Association, the Bicycle Track Committee, the Local Government Engineers Examination Committee and of course the various non-governmental associations such as the State division of the Institution of Engineers.

The survey of the top twenty nine Victorian Country Roads Board (C.R.B.) officials was undertaken to discover if colleagues in other States have the same sort of technical orientation as the senior officials of the Highways Department. This survey demonstrates that the patterns found in the Highways Department are even more marked in the C.R.B.

TABLE 2.1

EDUCATIONAL, PROFESSIONAL AND CAREER PATTERNS OF SENIOR
OFFICERS OF THE HIGHWAYS DEPARTMENT AND THE CENTRAL
ROADS BOARD

	H.D. (n. = 22)		C.R.B. (n. = 24)	
	no.	%	no.	%
Tertiary qualifications	18	82	24	100
Engineering qualifications	12	55	17	71
Engineering quals. only	10	45	12	50
Non-Engineering quals. only	6	27	7	29
Membership of Institute of Engineers	16	73	17	71
Average proportion of working life spent with H.D./C.R.B.		59%		80%

Of the twenty four who completed and returned the distributed questionnaire, all had tertiary qualifications. Seventeen had engineering degrees or diplomas; for twelve of these it was their only area of tertiary qualification. All seventeen of the engineers were members of the Institution of Engineers. The seven whose qualifications were not of an engineering type also all belonged to professional associations of some sort.

The same comments regarding reading material of Highways Department officials could also be made for that of the C.R.B. officials. Most claimed to read the journals of their professional associations. A number, rather than cite individual journals and magazines, put comments

such as "many engineering and technical publications". It is noticeable, however, that rarely do officers of a non-engineering background claim to read magazines relating to roads or engineering.

Senior officials of the C.R.B. also had a marked degree of long service with the organization. The average length of service was twenty four years and for seven officers the C.R.B. provided their first job. 76% of the relatively few years in other employment were spent in the service of other government agencies.

However, to demonstrate that officers of the state road authorities tend to be technically-orientated, have common qualifications, read the same sorts of magazines and journals and have plenty of opportunity for contact with colleagues in the other States still does not mean that important decisions with political implications will be made in an aura of professional objectivity and rapport. The meetings and committees referred to so far are usually concerned with matters of little political import. They are designed to provide technical solutions to technical problems. The most important of the organizations which does not have political (i.e. ministerial) representation - N.A.A.S.R.A. - will be used to illustrate this point.

N.A.A.S.R.A. is a typical example of cooperative federalism. It is composed of each State road authority and that of the Northern Territory, as well as the Commonwealth Department of Construction. Its official purpose is to promote unified construction standards across Australia, to coordinate research (largely through the Australian Road Research Board), and to gather information about Australia's principal roads and their funding.²

The executive committee, which consists of the heads of each member authority, is supported by a number of committees covering the various aspects of the administration, design, construction and maintenance of roads. The titles of these committees indicate their technical nature: Traffic Engineering Committee, Bridge Engineering Committee, Geometric Road Design Committee, Materials Engineering Committee, Plant and Equipment Committee, Advance Planning Committee and Computer Committee. The possible exception is the Secretarial and Accounts Committee composed of the secretaries and chief accountants of the member authorities, which discusses administration and management practices. Even here, though, it is very doubtful if policy of a political nature would intrude.

Some idea of the concerns of N.A.A.S.R.A. can be seen from the agendas of the executive committee. A copy of the index of the agenda of the N.A.A.S.R.A. meeting held in May, 1980 has been included as an example (Appendix A). As the meeting was held in the same month as the Road Grants Bill was being debated in parliament, one would expect that the legislation would be discussed, and this was the case. However, while it should be recognized that equal time will not be given to each item, a perusal of the other items on the agenda indicate attention to much more mundane matters. Many are concerned with uniform standards; for example, route marking, classification of roads, vehicle performance, traffic signals and line marking. A number of other items cover the collection of information. Among other miscellaneous items are: publicity matters, dealings with government appointed enquiries and instrumentalities and comparisons of staff in the different road authorities. Though the agenda does not give information about the amount of time spent on each item, nor what was discussed, it does give

the impression of a group of like-minded officers meeting to overcome problems of common concern, and largely undertaking the functions referred to in N.A.A.S.R.A.'s published literature.

The fact that none of the principal Commonwealth Departments concerned with funding are members is also a significant indicator of the nature of the organization. The view of intergovernmental relations as a process concerned with solving joint problems is one that is most prominent when relations are within a single tier only such as inter-State relations. The Commonwealth department, Transport Australia also has an interest in resolving the administrative problems caused by the federal system, and its non-membership of N.A.A.S.R.A. is a powerful illustration of the feeling amongst the road authorities that the body should avoid becoming a forum for Federal-State conflict over matters such as road-funding.

The Public Service: Federal

The most obvious reason why the Transport Australia is not a member of N.A.A.S.R.A. is simply that it is not a road construction authority. As such, is not concerned with technical problems. In comparison with the road authorities, the manpower resources it devotes to roads are minute.

Within the department there are two divisions whose responsibilities include road matters. The Land Transport Policy Division (L.T.P.D.) (which also covers rail and urban public transport), advises the Minister on policy matters. Roads Division exists to ensure that grants are spent in accordance with the Commonwealth legislation.

The L.T.P.D.'s role is generally confined to broad matters of policy and to the principles upon which legislation should be based. The exception here is the Office of Road Safety which operates within the division. It provides a Commonwealth input into A.T.A.C. matters concerned with design standards.

The Roads Division was created by the Whitlam Labor Government to handle the workload created by the new conditions imposed on the provision of grants to the States. It has the job of evaluating and making recommendations on the programs put forward each year by the States. Because of the sheer volume of programs and the limited time available for evaluation (two months) the role of the Roads Division in this area is largely one of a rubber stamp, although it also discusses projects for which the States desire Commonwealth funding during the period in which the States are formulating their programs.

Much more sustained and active interest is taken in projects involving National Roads, because of the Federal government's acceptance of 100% funding responsibility. This interest is not restricted to the approval stage only; in a recent example of its role, the Division commissioned a survey of residents of Deloraine (Tasmania) to ascertain their attitudes to proposed routes of a National Road which was to by-pass their town.

Unfortunately Commonwealth Public Service Board guidelines prevented a survey of officers in these divisions in order to compare them with those in the Highways Department and the Country Roads Board. However, information supplied by the Department does give an indication of the educational qualifications of the senior personnel (Class nine and

above) involved in road funding.

Tertiary qualifications (particularly of a specified type) are rarely mandatory for general administrative positions. No formal qualifications are ever prescribed for second division positions. Nevertheless, practically all officers holding senior positions have tertiary qualifications. In early 1980 seven of the eighteen Roads Division officers, including the First Assistant Secretary, held engineering degrees. This rate of almost 40% compares with almost 55% in the Highways Department and over 70% in the C.R.B. Nearly 37% (eleven out of thirty) of senior officers in the L.T.P.D. had engineering qualifications, though as many of these would be concerned with rail transport, this figure is misleading. Before a reorganization of the division which clustered technically-orientated officers into a multi-modal unit, the Road Transport and Land Transport Branch (the branch concerned with roads) had only two of its eight tertiary qualified officers with engineering qualifications, compared with five with arts or economics backgrounds.

The percentage of officers in the two divisions with engineering qualifications is lower than that of officers in the Victorian and State road authorities. Given the fact that Transport Australia is not involved in actual road construction, this is not surprising; in fact it is slightly surprising that the percentages are so high.

Information on career backgrounds is based on informal data gathering.³ The impression that many of the officers in the Roads Division were at some previous stage employed by a State road authority is supported by the specification on the duty statement of several

positions declaring that experience in relation to road construction and maintenance is desirable. The same impression is not evident in L.T.P.D., particularly in the branch concerned with roads, where none of the officers concerned appear to have had experience working for a road authority. The average age of officers in both divisions is much younger than that of those in the road authorities, and reflects the rapid expansion of the Commonwealth public service in the early nineteen seventies. This expansion created conditions of rapid promotion to fill newly-created senior positions.

In sum then, it appears that senior Transport Australia officers appear to be younger and more 'generalist' than their counterparts in the State road authorities. And if subjective impressions are permitted further, it appears that despite their greater youth, the extra job mobility of the Commonwealth officers has given them work experience that is probably as wide as that of their State counterparts.

The Executive

The type of influence exerted by the Minister was not questioned in the introductory chapter. It may be assumed (though this is not to say it is) that individual ministers will place paramount importance on political considerations. What is questionable is the extent to which these considerations are tempered by the influence of either the public service or other ministers. However, before discussing the importance of these moderating factors, one noticeable feature of the nature of the Commonwealth ministers can be commented on.

Despite the fact that the Country Party usually receives only one fifth or less of the ministerial positions in a Liberal/Country Party

government the portfolio covering roads has been held by a Country Party member in each coalition ministry since 1968 (the Ministers concerned being Messers. Sinclair, Nixon and Hunt). This of course could be purely coincidental, but it could be that the portfolio offers opportunities for Country Party interests. Peter Self has written that in a two party system, party support of sectional interests will be limited because of its bad effect on moderate opinion.

"Instead, parties will attempt to synthesize or aggregate a variety of interests into some version of the general interest."⁴

The need to be seen to strive for the overall community interest need not apply to a third party such as the Country Party, which can be relatively uninhibited in its courting of sectional interests. It aims to please a much narrower section of the community. The distribution of grants for roads, particularly in rural areas, is something which would attract pressure group interest. This is perhaps also why the roads portfolio in Queensland has always been held by a Country or National (Country) Party member.

Those claiming the moderating influence of intergovernmental relations on party politics cite the influence of meetings between ministers of different parties held in private. As was noted in the introduction, it is thought that such meetings encourage a circumspect manner and discussions free from the stultifying effect of political rhetoric. The alternative interpretation mentioned was that the effect of holding meetings in private may encourage cynical horse trading, in which sectional interests are dominant.

It is difficult to verify which of these interpretations is correct, or if indeed politicians act any differently in private than

they do when in the public eye. This is because of the confidentiality of the meetings. When the proceedings of such conferences have been 'leaked' and published they rarely give strong support to either interpretation. In July 1978 the transcript of the Premier's Conference was leaked to the press.⁵ It appears that most heat on that occasion was generated on the "new federalism" proposals, with all Premiers, irrespective of their party, criticizing the Commonwealth. The clear split was between the Commonwealth and the States, with party differences emerging only in the degree to which State representatives were willing to tackle the Commonwealth on individual items. The manner adopted seemed to depend largely on the personalities involved. The Western Australian Premier (Mr. Court) was formal and it was perhaps his politeness that caused him to tone down the bitterness of his public utterances. The Queensland Premier (Mr. Bjelke-Petersen) appeared good humoured and not as 'tough' as his public image, (a point noted by the National Times commentator).⁶ The tone of the others, especially that of the Commonwealth Treasurer (Mr. Howard) was much the same as that adopted when speaking to the public. The general stance taken by each of the participants was much the same as one would expect from an examination of their public utterances.

Campbell Sharman's examination of the transcript of a Premiers Conference held in 1975 led him to conclude that the discussions employed the "bargaining language" referred to earlier.

"The semi-privacy of the conference encourages the participants to speak to each other without many of the rhetorical overtones which characterize the public statements of politicians. Only in the opening statement of the commonwealth, which is intended for broader circulation than the conference participants, can the hortatory language of public politics be found. There is a marked difference between the style of debate in the conference and the tone of the statements that the individual premiers make to the press after each session. Inside the conference, the style is

polite but direct. Differences of opinion are stated forcefully and on occasion tempers appear to have been lost but there is a recognition that most issues have two sides and involve topics on which reasonable men may differ. Premiers are much more likely to lament the unreasonableness of the commonwealth's position than to indulge in direct criticism of the political motives of other governments."⁷

As Sharman notes, however the conference sessions are not designed to secure decisions; they exist to provide opportunities to discuss matters of concern.⁸ The horse trading that Endelman implied⁹ is further inhibited by the public importance of the conference (which ensures that proceedings are only "semi-private", and increases the likelihood that a transcript will be leaked), and the fact that the Commonwealth generally comes to the meeting with a set of proposals which includes only a marginal degree of flexibility with which to respond to the arguments of the States.¹⁰

The Australian Transport Advisory Council, was formed in 1946 and held its first formal meeting in January 1947.¹¹ In recent years the practice has been adopted of holding meetings twice yearly, though urgent matters may occasion a special meeting. At present its members are: the Commonwealth Ministers for Transport and for the Capital Territory, the State Ministers for Transport and Roads and the Northern Territory Minister for Transport. The New Zealand Minister of Transport has observer status. A.T.A.C.'s greatest successes in the field of intergovernmental cooperation have been in the area of formulating standards to cover transportation over Australia as a whole. In this it has been heavily reliant on its committees of officials and other invited experts, such as the Advisory Committee on Safety in Vehicle Design, the Committee on Motor Vehicle Emissions and the Advisory Committee on the Transport of Dangerous Goods.

The formulation of standards is a matter for which the States have a constitutional responsibility and in which the Commonwealth has a strong interest. It is an excellent example of what Richard Simeon terms "collaborative federalism".¹² However, in recent years such concerns have been pushed into the background at A.T.A.C. meetings by debates regarding Commonwealth grants for roads (although the overall levels of the grants may cause less discussion since the Premiers have decided to include it on the agenda at Premiers Conferences).

Decisions regarding the level of grants and the conditions on which they are imposed are entirely the responsibility of the Commonwealth. This fact has not stopped the State Ministers from using A.T.A.C. meetings as forums to offer "advice" to the Commonwealth minister on these matters. Such occasions can be quite fiery. The Australian's report of a July, 1978, A.T.A.C. meeting claimed that "angry State transport ministers stormed out of a meeting with their federal counterpart, Mr. Nixon".¹³ Although a less sensational interpretation may be that the State ministers simply adjourned to reconsider their position, there is no doubt that a circumspect manner is not always adopted. When commenting on a report recommending a fuel levy to help the States finance roads, the South Australian minister, Mr. Virgo was reported to have told Mr. Nixon that it "deserves a hell of a lot more consideration than you have given us".¹⁴

Unfortunately, reports of A.T.A.C. meetings only receive media attention when such disputes occur and so they may give a rather distorted picture of proceedings. It does appear, however that the pattern is similar to that of the Premier's Conference - "bargaining language" is adopted. Like the Premier's Conference, this does not mean

that deals which the politicians would prefer to keep secret take place. An informant who has attended many A.T.A.C. meetings has suggested that perhaps ministers feel inhibited by the large number of officials present to provide advice. (There are usually two or three such advisors for each minister.) However the informant noted that on a number of occasions meetings had adjourned for lunch facing seemingly irreconcilable differences. It was then found on reconvention that the differences had in fact been reconciled by the ministers over lunch. (Apparently it is traditional for the ministers to eat their lunch in private away from the officials.)

To conclude then, A.T.A.C. has been a successful example of intergovernmental cooperation, in much the same way as was claimed of the Australian Agricultural Council in the introductory chapter. Its successes, however, have largely been in areas where collaboration between the States has been necessary, and has been heavily reliant on the efforts of permanent officials. In our major area of concern - intergovernmental road funding - A.T.A.C. has been less successful, largely because road funding between the Commonwealth and the States is a matter in which the Commonwealth has jealously guarded its responsibilities. A.T.A.C. has however been a useful forum in the State's efforts to raise revenue for roads, particularly considering the constraints imposed by S.92 of the Constitution. While not appearing in the actual transcript of meetings it seems that some political tradeoffs are negotiated.

Relations between executive and administrative levels: South Australia

The inherent qualities of the public service would be irrelevant to the questions under discussion if the public service has no say in the

intergovernmental decision-making process. It is therefore necessary to examine relations between the executive and administrative levels in order to assess the relative importance of each in decision-making.

The South Australian Highways Department, like most of the other road construction authorities, has traditionally enjoyed considerable independence from parliament and the executive. The experience provided by the development of railways in the nineteenth century was a warning that responsibility for the development of roads should be freed from political influence. A.G. Gibbs, in an article on railway management in Victoria, quotes Michael Cook's book, The Land Boomers to show the effect of too much political control:

"The story of Victorian politics in the 1880's was largely the story of the building of railways. Hundreds of miles of tracks, some of it quite useless, pushed out from the egocentric city to the rampant suburbs and the far countryside. Hardly a member of parliament whose vote could be bought went without his bribe in the form of a new railway, a spur line, or advance information on governmental plans to enable him to buy choice land in advance."¹⁵

Gibbs goes on to claim that administrative reforms initiated to improve the management of Victorian railways

"not only pioneered the public corporation as a device for managing public enterprises in Australia but also began the growth of agencies independent of the central public service."¹⁶

While South Australia did not experience the massive and sharp inflow of capital that encouraged a lax attitude to investment criteria in Victoria, it was nevertheless accused of building lines that were not economically warranted. In a report to the government on its railways, a visiting expert claimed in 1879 that one fifth of the mileage of the South Australian system, (generally that in the Northern Yorke Peninsula and South-East regions), fell into this category, with some not even covering working expenses.¹⁷ W.A. Sinclair, who presented a similar picture of

Victorian railways to that of Gibbs, also refers to "an increasingly nonchalant attitude to the limits of external economics" in Western Australia, N.S.W. and Queensland.¹⁸ He did, however, note that in South Australia a more cost-conscious attitude led to a more careful consideration of economic criteria, at least in the early decades of this century.¹⁹

Until the first world war, railways dominated the States' public expenditure on transport. Roads, regarded either as feeders to the trunk system formed by railways, or as a temporary means of transport until a railway could be constructed, were largely left to the responsibility of local government. However, the growth in popularity of the motor car after the first world war put a great deal of strain on the road network. In South Australia at least, the administrative reorganization designed to cope with this recognized the ideal of administration independent of political influence. When introducing the bill to effect the necessary changes, the Treasurer said,

The main objects which the Government have had in view in devising new administrative machinery are to provide for the continuity of policy in road construction and maintenance, and to put the person charged with the task of administering the funds available for road construction in a position where he can exercise his functions under the Act freed as far as possible from external influences."²⁰

Under the Highways Act as passed in 1926, the Commissioner for Highways (supported administratively by the Highways Department), was responsible to parliament as a whole and not to a single minister. He was (and still is) appointed by the Governor for a five year term which is renewable. In practice, terms have always been renewed until retirement.

In 1953 the Highways Act (Amendment) Act restricted the Commissioner's independence somewhat. Under the amendment most of the

powers exercised by the Commissioner were made subject to the approval of the minister. Why this was done is not clear, although most States enacted similar legislation at about the same time. When introducing the bill, the Premier, Mr. Playford, claimed that it implied "in no way a criticism of the officers of the Highways Department"²¹ - a claim doubted by the Opposition Leader.²² There was criticism of Departmental policies and practices both in the press and in Parliament,²³ the general gist of which was that the Commissioner was ignoring maintenance in favour of construction and was not ensuring that funds available at both State and local level were used to best advantage.

However such claims may have been designed to justify the bringing of roads administration under political control. It was probably felt road expenditure was simply becoming too large a proportion of the State budget (about 20 percent in 1953) to remain independent of executive control.²⁴

Despite the restrictions imposed in 1953, the Commissioner still enjoys considerably more independence from ministerial control than other departmental heads. The enabling legislation still leaves the Commissioner as the principal actor, with the ministerial role as one of giving or withholding consent. Of course in practice this may mean no more than that the Commissioner advises the minister, but in fact the description of relations which appears in the legislation is reasonably accurate. The present Commissioner for Highways claims that he has never been over-ruled by the minister at the approval stage of projects undertaken for or on behalf of the Highways Department.²⁵ Nor, to his knowledge, was his predecessor.

There are important administrative reasons why it is difficult for political factors to intrude into the ordering of departmental projects. The process of planning commonly takes five years or more and as the process continues schedules become more and more 'locked in'. Ministerial input would therefore be most effective at the early stages of planning, and as such the minister provides another source of influence that the Department would need to take account of. In the experience of the present Commissioner, this influence has never been overwhelming, as the minister has been prepared to accept counter-arguments based upon traffic statistics and other criteria of need.²⁶

Of course when scheduling projects, the Highways Department needs to look at more than matters of economic need. Political considerations, particularly government policy, will provide guidelines within which the department needs to plan. For example, it was the continual public criticism of the Eyre Highway and pressure from the Western Australian and Federal governments that caused the Commissioner to commit funds for the roads sealing before he felt such spending was economically justified.²⁷ Also, it may be the case that the Commissioner has not been overruled in the ordering of projects because of his ability to anticipate the desires of the minister.

While the machinery of project planning may create a momentum that a minister would find difficult to prevail against, the same is not necessarily true for grants to local authorities, which is after all the dominant field of intergovernmental decision-making at the State level. Local grants can be made for both large and small, short term and long term projects. As local projects will rarely match the magnitude of

State government projects, the time needed for planning is shorter and the ability for the minister to intervene will be correspondingly greater.

Nevertheless, because grants are largely given for specific projects and not left to local authority discretion, the minister will find it difficult to prevail. When dealing with many separate projects, all involving technical considerations which need to be based on information supplied by the Highways Department, the minister can usually prevail only if he is prepared to be arbitrary. In the nineteenth century, when decision-making appears to have been made on a more cavalier basis, this may have been possible. It appears that now the minister needs to rely more often on reasoned argument than on authority alone.

Perhaps the final important factor to be considered is that the roads portfolio is only one of a number that have been held concurrently by the minister concerned. Traditionally the minister responsible for roads was also responsible for local government (though since 1978 this is no longer the case). The minister has also always been responsible for public transport and the administrative machinery for raising road revenue. In recent years public transport matters have been particularly contentious and one could presume that they occupy a great deal of the Minister's time.

The impression remains when speaking to Federal, State and local officials,²⁸ that the Commissioner and his department enjoy considerable de facto independence in deciding the way that road funds are distributed. However, this is not say that similar independence exists as regards the overall level of road funding, (as opposed to the

priorities which determine the way the money is spent), and there is at least one special interest group which feels that the key decisions here are made in the Minister's office.²⁹

Relations between executive and administrative levels: Federal

The Federal transport department, Transport Australia, does not have the same autonomy from ministerial control as the Highways Department. Its head does not have corporate status. Legislation governing road grants refers only to decisions made by the minister. Beyond this superficial observation are stronger reasons why the minister has a powerful position over his administrative support.

It has been noted by one commentator that the effect of having ministerial offices situated within Parliament House, away from departmental offices, is a lessening of detailed ministerial control of day-to-day administration.³⁰ However, it could also be said that the situation frees the minister from departmental influence when making decisions regarding policy. Because the importance of the Federal government lies in policy matters and not its day-to-day administration, the freedom of the minister from his department assumes a greater importance in the present study.

Transport Australia is a product of an amalgamation in 1973 of the Departments of Civil Aviation and of Shipping and Transport. It is one of the largest Commonwealth departments, having over 11,000 employees. The bulk of these are employed in those divisions dealing with civil aviation. As well as handling such a large department dealing with four different modes of transport, the Minister for Transport also "looks after" four large and important statutory authorities: Qantas, the

Australian National Airlines Commission (T.A.A.), the Australian National Railways Commission (A.N.R.) and the Australian Shipping Commission (A.N.L.).

It is difficult to say what the effect of this dispersion of functions has on the position of the minister. Certainly it would lessen his control over day to day administration. However a more interesting outcome appears to be a lessening of the role of the permanent head in decision-making. First Assistant Secretaries, especially those of the policy divisions, are encouraged to deal directly with the minister, rather than through the permanent head whose role appears more the traditional one of organizing the resources of the Department to implement government policy, as well as administering the public infrastructure of Australia's aviation and shipping industries.

Having the minister by-pass his permanent head to deal directly with the First Assistant Secretary has the effect of increasing his power over the department. Instead of having policy disagreements sorted and resolved by the permanent head, the minister will have direct access to a range of advice from which he can make a meaningful decision. For this reason, able ministers would appear to encourage such a collegiate system.³¹ However the effect that this has in increasing executive power can be overstated. Gunn, in discussing the trend away from reliance on the single permanent head in Whitehall noted that it was most common in the largest and/or the most "technical" departments.³² Transport Australia is both large and technical. The way in which it is divided along functional lines has resulted in each F.A.S. being in charge of a policy division which is confined to one or two modes. (There are two exceptions whose divisions handle intermodal aspects of

transport policy.) What we may have then, is a series of mini "permanent heads" whose advice is rarely challenged within the department. The minister may find that the advice he receives is still as 'polished' as if he were dealing only with the head of the department.

It would appear from press statements, speeches etc. that the bulk of the minister's workload is concerned with aviation matters - the two airline policy, international airfares, charter operations and so on. The little time left for other forms of transport does not mean that public servants dominate roads policy. The number of public servants involved in road policy would number at most twenty five, and their First Assistant Secretary is also responsible for rail and public transport matters.

Road policy for the Federal government is simply not an issue that requires a great deal of administrative input. At the end of every funding period the government must decide the terms of the new arrangement. It also must decide the way grants are to be divided between States and between categories. In this it will receive plenty of advice from the States, and policy making appears largely a matter of how far to accede to such demands. What would seem to be the most complex issue - how the money is to be split up - appears from sources within the department not to receive a great deal of administrative attention at all. One reasonably senior officer in the Department recalled that when the 1977 legislation was being prepared the "number crunching" was done on the last possible day. The figures were then sent over to Parliament House, where they were altered by the Minister for Transport and the Prime Minister during the evening to give a larger share to local government. It appears that road policy at the Federal level is very

much in the hands of the politicians.

Parliament

The debate concerning the role of parliament posits two opposing views. On the one hand it is claimed that parliament can inject principle into the dealings of government; through debate on the floor and through the use of committees, parliament can keep a check on the activities of the executive and administrative arms to ensure a minimization of abuses and injustices. On the other hand, parliament can be seen as a device encouraging parochialism and vested interests by having each member represent only a geographically defined subunit of the whole community.

The rhetoric of debate tends to favour the former view; few parliamentarians would risk being seen pushing vested or parochial interests unless they could clothe their case in reasoned, highly principled argument. Nevertheless, it does not need a cynical approach to the reading of Hansard to note that, apart from playing lip service to the need for general financial responsibility and taking the occasional opportunity to attack expenditure on a pet project of a minister, backbench and Opposition members are a continual source of pressure for greater expenditure, especially when such expenditure involves specific purpose grants. This reflects the use of parliamentarians by constituents and special interest groups as a means of putting pressure on the government.

If behaviour in the House reflects the pressure of constituents and special interest groups, it is likely that such pressure will be even more apparent in the more private behaviour of parliamentarians; that is

in the various efforts they make to lobby ministers. With the powerful influence of departments such as those of Finance and the Treasury providing the restraining counterbalance, parliamentarians can feel free in their efforts to promote increased expenditure.

The exception to this pattern is the standing parliamentary committee, designed specifically to keep a check on expenditure and abuses. However, it will be pointed out that its effectiveness in this role is limited, particularly in matters concerning intergovernmental funding.

Ken Wiltshire makes the general comment that intergovernmental relations in Australia have grown at a much faster rate than have the parliamentary institutions that cope with administration.³³ When discussing activity on the floor of the house, he notes that in fact very few intergovernmental agreements are ever debated, maintaining that the poor quality of debate on such agreements generally reflects the belief that there are few votes to be won or lost on such issues.³⁴

State Parliament

The State executive has no constitutional necessity to submit its proposed distribution of grants amongst the local authorities to parliament for approval. In the procedure under which the program is determined, parliament as a whole has no say. Neither do the grants come under the scrutiny of any of the parliamentary committees. Therefore there exists no mechanism to allow parliament influence and the opportunity to see that grants are distributed on a fair and non-partisan basis.

The role of the State Member of parliament is limited to seeing that his electorate receives the largest allocation of grant money possible, whether by means of the grievance debate, questions in parliament, or letters and representations to the minister. However, unlike at the Federal level, (see below), the M.P. is given no "recognition" of this role by means of the routine dissemination of information on grants and activities within each electorate.

How successful he is in affecting the level of grants local authorities receive is ultimately dependent on the likelihood of the Minister prevailing over the advice of the Highways Department. As we have seen, the Minister will need to be particularly strong-willed or dogmatic for this to happen. It is claimed by parliamentarians on both sides of the House that the Highways Department and the Engineering and Water Supply Department are the two most difficult departments to "move" on constituency matters.³⁵

Federal Parliament

Road grants to the States are permissible under S.96 of the Australian Constitution, which states,

"During a period of ten years after the establishment of the Commonwealth and thereafter until the Parliament otherwise provides, the Parliament may grant financial assistance to any State on such terms and conditions as Parliament thinks fit."

Federal road funding to the States therefore requires parliamentary approval; that is, a legislative basis. When the government controls both houses this approval is a formality. Even in 1974, when the Opposition controlled the Senate, amendments were confined to a relaxation of the controls on expenditure proposed by the Labor government.

Apart from the occasional vague reference to the favouring of certain interests,³⁶ parliamentary debate never contains criticism of road legislation for spending too much. The ritual stance of the Opposition's second reading speech is to deplore the wasting of a national asset. Individual backbenchers in the House of Representatives will complain about the shocking state of a major road that passes through their electorate, and Senators (particularly those from the smaller States), will complain of the treatment being afforded to their State. However all such arguments have a post facto quality to them, as parliament never alters or supplements the amounts allowed for in the bill.

The fact that amounts allocated are subjected to parliamentary criticism may prevent Ministers from blatantly serving particular interests. Also, parliamentarians have made a practice of quoting the Bureau of Roads and the Bureau of Transport Economics in an effort to point out to the government the views of the objective experts. However, as these bodies have practically always recommended higher grants than those provided by the government, this is not surprising.

Although the various standing committees are known for their critical attitude toward expenditure, this approach appears to be confined to large and expensive 'pet' projects of ministers and other senior public figures or to occasions in which members can be seen as keeping a vigilant eye on bureaucratic extravagance.

The Senate Estimates Committees are probably the best known example of the role of parliament in checking expenditure. Even here though, it has been claimed by commentators that effectiveness has been

weakened by a lack of research staff, the lack of interest on the part of senators in budgetary implications, and the desire of politicians for pointscoring.³⁷ More serious in the case of intergovernmental funding is that these committees only scrutinize annual budget outlays, that is the Appropriation Bills. As one committee pointed out, 55 to 60% of expenditure receives no effective scrutiny.³⁸ This includes road funding.

It can be seen then, that the Federal Parliament is not effective as an element for ensuring a 'non-political' approach to intergovernmental road funding. The question remains how effective are Federal parliamentarians in pushing the parochial interests of their constituents?

The Minister for Transport in the 1972-75 Labor government, Mr. Jones, first instituted the practice of informing each member of the House of Representatives of the projects on which Federal money was being spent in his or her electorate. The practice proved extremely popular with parliamentarians and has continued since the change of government in 1975. One effect of the practice has been to encourage members to exert more pressure on the Minister for money to be spent on projects in their particular electorates.

It is impossible to determine how effective such pressure has been without access to confidential sources. Under the legislation passed since 1974, the Federal minister has the power to insist that certain projects be included on the program of projects for which the State governments seek Federal finance. However, as the legislation does not allow him to specify how much will be spent on such projects, that latter

condition resembles a toothless tiger. The State government need only spend a nominal amount on research for it to fulfill the Minister's requirement. This fact must weaken the ability of the Minister to respond to pressure from members of parliament.

The Minister however, also has the power to reject the entire program of proposals put forward by the State government. This has not yet been done, although on one or two occasions he has withheld approval. According to one source within the Department of Transport, the Minister will make strenuous efforts in private to ensure that certain projects are included. On the rare occasions when disputes between the Commonwealth and State Ministers over programs have become public, the Commonwealth minister's position has been in defence not of individual projects but of rather more broad categories, such as rural local roads.

From sources within the Department of Transport it would appear that parliamentarians are active in pushing parochial interests and that the Federal Minister is active in taking up such interests. Firm evidence to support this is difficult to obtain however. A point that should be made is that the Federal Minister, when attempting to persuade the State government to reorder priorities, confronts the same difficulties as does the State minister when facing the road authority. In the case of South Australia at least such difficulties are considerable.

Conclusion

This chapter has examined the nature and the relative importance of the various elements of debate outlined in the introductory chapter.

Its findings give support to arguments claiming the non-importance of politics in intergovernmental relations in some matters, but not in others.

The examination of the nature of the public service involved gives only ambiguous support. The officials of the two road authorities examined tend to be homogeneous in terms of professional qualifications, career pattern and interests. Furthermore, they have considerable opportunity to meet with each other, to further homogenise their outlooks. The fundamental reason for all this is that they are both in the same business; building roads.

Because the Transport Australia is not a road construction authority, its officers do not have the same characteristics. They tend to be less orientated toward engineering and have different interests and career patterns, particularly in the branch concerned with policy. This is an important caveat, because road grants are fundamentally an inter as opposed to intra level phenomenon. The homogeneity observed between the Highways Department and the Country Roads Board, and their opportunities for meeting through organizations such as N.A.A.S.R.A. count for little in the formulation of intergovernmental road funding policy.

The examination of meetings between Ministers (the Premiers Conferences and A.T.A.C.) found that while the tone of conversation may be less rhetorical than in public, stances taken are much the same. Rhetoric may be replaced with sharper, earthier language. There is also a likelihood that 'horse trading' does occur when ministers are not in the presence of their supporting officials. The evidence of the study then tends to support the view that holding ministerial meetings in

private will encourage political considerations.

The relative importance of the administrative and executive arms of government has been found to vary tremendously between the State and Federal levels of government. In South Australia it was found that the traditional statutory independence of the Commissioner has left an important residue of autonomy for him despite amendments to the Highways Act designed to bring the department under ministerial control. The tradition of autonomy has been buttressed by the fact that the department is 'project oriented' rather than 'policy oriented'. Unlike areas in which policy decisions made may be few but vital, the minister responsible for roads is bogged down in a morass of separate projects, each of which needs to be evaluated on economic, engineering and environmental criteria.

Although the Federal Minister also reserves the right to reject or modify programs of projects put forward by the States, his position vis a vis his department is much more dominant. Of course there is no tradition of statutory independence to contend with. Policy matters are relatively simple and in any case normally come up for review only every three years or so. If the Minister has to "fly blind" when examining projects, so also do the departmental officers involved, as they have to examine all the programs put forward by all the States within a two month period. In any case, Transport Australia officials appear much more willing to "identify" with their minister. Unlike the South Australian case, where the traditional autonomy and expertise of the Highways Department inculcates in its officers a feeling that they have legitimate criteria on which to operate that may be independent of those of the Minister, the Commonwealth officials' see their role as one of

implementing the wishes of their minister.

Admittedly the Commonwealth minister does have many other issues to contend with as well as roads. Civil aviation in particular appears to occupy a great deal of his attention. But because the Commonwealth's role is limited to funding on a triennial basis, the Minister does not need to spend a great deal of time on the issue of roads to be in command of the situation.

Parliaments in both the South Australian and Federal spheres do not effectively perform a watchdog role. In neither case are intergovernmental grants subject to committee scrutiny, and what reference there is to them in parliamentary debate usually takes the form of complaints on behalf of constituents and other interest groups.

If parliamentarians are unable or unwilling to provide the function of checking intergovernmental grants, they also are frustrated in their role of representing specific interests. It is likely that in both cases they are successful in reaching the minister's ear (particularly government members in Federal parliament), but both ministers, even if they are of the same political persuasion, need to overcome the arguments of the road authority.

FOOTNOTES

1. Personal communication, Mr. Norm Smith, (Organization and Methods Officer, Highways Department), 4 December 1979.
2. National Association of Australian State Road Authorities, Australian Roads, 1978, p. 33.
3. The data was gathered during six months spent as an officer in the L.T.P.D. and from later interviews with officers of both divisions.
4. Peter Self, Administrative Theories and Politics, 2nd. ed., Allen and Unwin, London, 1977, p. 156.
5. National Times, week ending July 22, 1978, pp. 21-23.
6. ibid., p. 21.
7. Campbell Sharman, The Premiers' Conference: An Essay in Federal State Interaction, Department of Political Science, Australian National University, Occasional Paper No. 13 (Canberra, 1977), p. 40.
8. loc.cit.
9. See above, p. 16.
10. Sharman, op.cit., p. 42.
11. Australian Transport Advisory Council, History of Commonwealth-State Cooperation in Transport: Fiftieth meeting of the Australian Transport Advisory Council, A.G.P.S., Canberra, 1977, pp. 2 and 3.
12. Richard Simeon, "Intergovernmental Relations and the Challenges to Canadian Federlism", Canadian Public Administration, Vol. 23 (i) (Spring 1980), pp. 14-32.
13. The Australian, 22-23 July, 1978, p. 1.
14. loc.cit.
15. A.G. Gibbs, "Railway Management in Victoria with some Related Comments on South Australia", Royal Institute of Public Administration (S.A. Regional Group), Bulletin No. 3 (Dec. 1975), p. 26.
16. ibid., p. 28.
17. T. Higinbotham, "Report on South Australian Railways", South Australian Parliamentary Papers, 1879, Vol. IV, no. 154, p. 2.
18. W.A. Sinclair, "Capital Formation", C. Forster (ed.), Australian Economic Development in the Twentieth Century, Allen and Unwin, London, 1970, p. 25.
19. ibid., p. 26.

20. South Australian Parliamentary Debates. 1926, Vol. 1, p. 397 (17 August, 1926).
21. S.A.P.D., 1953, vol. 2, p. 1688 (26 November 1953).
22. ibid., p. 1802 (2 December 1953).
23. ibid., p. 1801, 1859. Advertiser, 30 November (letter to editor) and 1 November (editorial); Sunday Advertiser, 21 November, p. 5.
24. This was the theme, (subsequently accepted by the Opposition) in the Premier's second reading speech. See S.A.P.D., op.cit., pp. 1686-1688 (26 November 1953).
25. Personal communication, Mr. A.K. Johnke (S.A. Commissioner for Highways), 16 January, 1980.
26. loc.cit.
27. loc.cit.
28. In personal conversation, a Commonwealth official has referred State road administration as the 'personal fiefdom' of the head of the respective road authority. For a comment from local government, see below page 225.
29. See the case of the Australian Road Federation below, chapter four.
30. R.N. Spann et.al., Public Administration in Australia, N.S.W. Government Printer, Sydney, 1975, p. 97.
31. See Bruce Heady, British Cabinet Ministers: the Roles of Politicians in Executive Office, Allen and Unwin, London, 1974, p. 117.
32. Lewis A. Gunn, "Ministers and Civil Servants: Changes in Whitehall", Public Administration (Australia) Vol. XXVI (1) March 1967, p. 88.
33. Kenneth Wiltshire, "Working with intergovernmental agreements - the Canadian and Australian Experience", Canadian Public Administration, Vol. 23 (3), Fall 1980, p. 354.
34. ibid., pp. 368-9.
35. Personal communication, Mr. Stan Evans, M.P. (Minister for Fisher in the South Australian House of Assembly), 2 July 1980.
36. For example, Australia, Parliamentary Debates, House of Representatives, vol. 106, p. 1417 (21 Sept., 1977); Senate, vol. 74, p. 966 (22 Sept., 1977) and House of Representatives, vol. 104, p. 767 (30 March, 1977).
37. For example, Hugh V. Emy, The Politics of Australian Democracy, 2nd ed., MacMillan, Melbourne, 1978, pp. 482-486.
38. ibid., p. 485.

CHAPTER 3THE ADVISORY BUREAUX

This relatively brief chapter will continue the typology of the various elements involved in the making of decisions regarding road funding. It will look at the nature and role of the advisory bureaux that have been set up by the Commonwealth government. The research bureaux have been dealt with in a separate chapter from the public service, the executive, and parliament because as professional bodies they are meant to have a narrower set of considerations than those in the political and administrative spheres. The fact that they have been administratively removed from the political process by being set up as statutory or departmental authorities is an indication of the discontinuity they pose in a typology of the "official" organizations concerned with road funding.

In particular the bureaux will be examined to see whether the advice they give can be assumed to be objective and non-party political. The influence of the Commonwealth Bureau of Roads (C.B.R.) and the Bureau of Transport Economics (B.T.E.) on the decision-making process will be examined in chapter five, when Commonwealth grants to the States will be compared with bureau advice.

Commonwealth Bureau of Roads

The C.B.R. was a statutory body set up under the Commonwealth Bureau of Roads Act (1964). It became functional in 1967, researched matters concerned with roads and advised the government until it was amalgamated with the Bureau of Transport Economics. This amalgamation occurred when the C.B.R. Act was repealed in 1977.

According to its Act, the C.B.R. was set up

...for the purpose of assisting the Government of the Commonwealth in the consideration by the Government of the grant of financial assistance by the Parliament to the States in connexion with roads or road transport."

To this end it published major reports toward the end of each period covered by road funding legislation. Reports appeared in 1969, 1973 and 1975.¹ These reports were not the limit of its activities, however. It also researched and produced publications on such matters as the implications of road transport on energy use, medium and long term traffic growth, and the transportation needs of the disadvantaged, as well as undertaking intensive studies of specific transport corridors, such as that between Sydney and Melbourne. In the early 1970's it attempted to extend its role into the planning of road projects with the State and Federal governments.

Despite its primary position as a source of advice to the Federal government, it engendered an attitude of trust among the various groups concerned with the improvement of road transport, including the State government authorities. Its statutory status helped here. Many of its staff were recruited from State road authorities and the Bureau maintained a high level of day to day contact with the authorities. The authorities' cooperation was necessary for the Bureau to produce its Australian Road Survey, upon which its determination of road needs and subsequent recommendations were based.

Perhaps the most important reason for the confidence the Bureau engendered was its liberal attitude to road funding when compared with that of the government of the day, (as will be seen in chapter five). The Bureau could be seen to have joined forces with those who were trying

to squeeze more money out of the Federal government.

Also, by its practice of inviting submissions from all interested individuals and organizations during the preparation of its reports, the C.B.R. became a means of access to those attempting to influence Federal government policy. The Federal government saw its relationship with the Bureau as one-way, and so the Department of Transport and other key departments such as the Treasury did not join those making submissions. Consequently the the C.B.R. did not formally hear the Commonwealth viewpoint in disagreements regarding the disbursement of funds.

The C.B.R. was willing to offer advice to any level of government. State authorities, and, on occasion, local government authorities, directly sought its advice. It was used on at least one occasion by the South Australian Minister for Transport as a means of removing pressure caused by controversy over government intentions.²

Like the State road authorities, the Bureau can be seen to be dominated by the professions, and in this, engineering qualifications figure prominently. Apart from the fifteen or so (25%) administrative support staff, all positions in the Bureau required tertiary qualifications. Toward the end of its existence, about twenty to twenty-five of the professional staff, (that is, about one half), were engineers. The rest tended to be economists or accountants, as well as a few with a background in mathematics and sociology.³ The proportion of staff who were engineers may have been even higher in the early years of the Bureau's existence.⁴

Perhaps it was these factors, plus the fact that it was identified with a single mode of transport only that led to a belief that the Bureau as it was then constituted was unable to fairly assess the value of alternatives offered by the forms of transport, such as rail and sea. The belief that the Bureau had an inherent preference for road-oriented solutions to transport problems was given early credence by the Bureau's logo (reproduced below) a stylized representation of a freeway interchange.



One notes its strong endorsement of urban freeway construction as a means of, among other things, reducing pollution levels. This endorsement was made in the 1973 Report⁵ and reaffirmed in the 1975 Report.⁶ Although it should be noted that the C.B.R. did not favour urban freeways to the same extent as the State road authorities,⁷ it can fairly safely be said that the Bureau generally saw improvement in engineering terms. For example, it tended to rely on measures such as better road construction and design, the removal of grade intersections, etc., rather than other means, (such as the use of other forms of transport, the provisions of stop signs, and better driving campaigns) when looking at ways to reduce the number of deaths on the roads.

However it should be noted that in response to the preferred multi-modal approach to transport funding of the government of the time the Bureau's 1975 Report went to some length to examine possible solutions to urban transport problems involving other modes. It examined

public transport, car pooling and ways of restraining car use, while warning that policies to prevent people using their cars would hurt lower income groups.⁸ This examination led the Bureau to support further investigation into such matters.⁹ However it did not suggest that it should be the body to carry out this research, and the obvious conclusion would be that such work would be better undertaken by a multi-modal research organization.

The C.B.R.'s position as a Commonwealth body urging the spending of more money on roads at times proved embarrassing to the Federal government. For example, a polemical paper put out by the Australian Council of Local Government Associations, Local Government at the End of the Road, drew on the Bureau's 1975 Report for all its statistical information. The paper presented a very grim picture of Australia's road system, particularly at the local level, and used the Bureau's recommendations to urge Commonwealth action.

The C.B.R. found itself in an unenviable position when making recommendations for investment in roads. Its use of cost/benefit analysis produced figures that were far higher than it knew the government was willing to spend. On the one hand it could recommend amounts that its research claimed would be warranted in terms of savings on trip time, accident costs, wear on vehicles etc., even though it knew that these amounts would not be spent and that the Commonwealth would arbitrarily select some fraction of them. Alternatively, it could ignore its cost/benefit analyses and recommend only politically "realistic" amounts.

The first step taken by the C.B.R. to arrive at recommended grants was to undertake a cost/benefit analysis on Australia's roads as surveyed by N.A.A.S.R.A. in the Australian Road Survey. In the 1969 and 1973 the warranted program was superseded by what was termed in the latter report as a "warranted and feasible" program. The warranted and feasible program was arrived at by examining the constraints imposed on the warranted program by the limitations of available manpower and plant available to the State and local road construction authorities and to the industries that served them. It was recognized that there were limits on the ability of the road construction industry to expand, even given adequate finance. The warranted and feasible program applied to all levels of government. To determine the Commonwealth grant, the C.B.R. calculated the sort of funding increases it felt the States and local government could sustain. (This was based on fairly rudimentary criteria such as the increases in population and vehicle numbers.) The Bureau then proposed that the Federal government provide the balance.

In 1969 and 1973 the C.B.R. was cautious in its judgements concerning the allocation of funding between the various levels of government. It assumed that local government would continue to devote the same proportion of its expenditure to roads as it had in the past. It will be remembered that the States' capacity to finance roads depended on the amounts they raised from the road user in vehicle registration charges, licences, etc. The Bureau did not call for a real increase in these amounts. In recommending that the Commonwealth provide the balance, it did not assess the government's willingness to do so.

The C.B.R. went through the same stages in developing its program in 1975, but was more adventuresome when determining the ability of the

public sector to increase road expenditure. The "warranted" and the "warranted and feasible" programs were determined as before. However, it then went on to say that the warranted and feasible amounts would require growth rates that were "not practicable, even though similar rates of growth have been affected in other government programs in recent years".¹⁰ In other words such amounts could be spent, but the Bureau recognized that political priorities would disallow this. Bowing to these suspected priorities it recommended a program of \$5,500 million (as opposed to a warranted and feasible program) based on growth rates it felt were feasible, but which it made little effort to justify.¹¹ It did extrapolate from past trends to say that the Commonwealth's rate of increase should be greater than that of the other levels, but it did not name the criteria it used to determine just what levels of increase it felt that all three levels of government could take.

Consequently, it has been argued that the Bureau lost respect as it abandoned its professional function. The executive of a government did not need to fund a bureau to tell it what its political priorities would allow. On the other hand, it has also been argued that it lost respect by presenting figures that did not take account of political realities, and in doing so, it provided ammunition for groups lobbying for more funds.¹²

The lack of respect with which it was held by the Federal government, the warm relationship it had with the State governments, local government and other special interest groups, and its narrow focus on single-modal, engineering orientated answers to transportation problems, have all been reasons touted for the "amalgamation" of the C.B.R. with the Bureau of Transport Economics in 1977.

The Government at the time claimed that not only would administrative cost savings be attained by the merger, but also that the government would benefit from the more balanced approach of a multi-modal bureau.¹³ The reasoning here was that transport problems are rarely simple enough to involve only a single form of transport; either the effect of proposed solutions will influence other forms, (e.g. road use will be affected significantly by the construction of a major airport), or the interaction of several form of transports will be involved in possible solutions, (e.g., road/rail complementarity is a commonly-used phrase in discussions of energy use in the transport sector). Also, it is common for major transport policy decisions to boil down to a decision whether to invest in one form of transport or another.

In 1975 suggestions were made by State and local government sources that the relationship between the C.B.R. and themselves be strengthened. In its submission to the Bureau the N.S.W. Department of Main Roads expressed the view that the State road authorities should be represented on the committees of the C.B.R. It thought that the recommendations of the Bureau ought to have been the product of a joint effort with the States.¹⁴ The Australian Capital Cities Secretariat, (representing the city councils of the six State capitals), looked to the Bureau to secure for local government "a more prominent and rightful role" in the planning and administration of roads.¹⁵ It is not surprising that such hopes and expectations would drive the Federal government in just the opposite direction. By repealing the C.B.R. Act, it ended the existence of the independent statutory authority.

Despite persistent denials from the Federal government, the "amalgamation" of the two Bureaux was in fact an absorption of the C.B.R.

by the B.T.E. The second reading speech in support of the bill repealing the C.B.R. Act continually stressed the idea of a merger, yet concluded with a eulogy on the efforts of the C.B.R. and its retiring chairman. Despite the fact that the substantive portion of the speech indicated a similar high regard for the B.T.E., a similar eulogy was not deemed necessary for that body.

Local government in particular opposed the merger because it believed the amalgamated bureau would not have the independence of the C.B.R. They feared that the favourable relationship they had with the C.B.R. would not continue with the new bureau. It appears a concerted campaign was undertaken by local government organizations to prevent the passing of the repeal bill. Speaker after speaker in both houses and from both sides referred to the many letters they had received from local government bodies which expressed their concern at the bill. Senator Jessop (Lib., S.A.) in fact claimed that the number of representations he had received was the largest he had ever had from local government on a single issue.¹⁶ Part of the Labor attack on the bill used local government confidence in the C.B.R. as an argument for maintaining its statutory independence.¹⁷ A Labor M.P., Mr. Wallis, M.H.R. quoted a letter he had received from the City of Whyalla to this effect:

Council has been informed that the Federal Government intends to proceed with the amalgamation of the Commonwealth Bureau of Roads and the Bureau of Transport Economics, contrary to requests by the Australian Council of Local Government Associations and State Associations.

Assuming that this intention will be put into effect the Council wishes to emphasise the necessity for the amalgamated body to be created by legislation that clearly sets out the body's role, its functions and its responsibilities. Secondly, it is considered vital that the new body is independent so that it may report direct to the Minister of Transport rather than be an appendage attached to or under the purview of the Department of Transport.

Council is convinced that the future of road funding in South Australia and in the rest of Australia may well be dependent on

having a body of the independence that is suggested above. No doubt other organisations and Councils will be contacting you on this matter and I would appreciate your earnest endeavours to comply with Council's request.¹⁸

The Australian Municipal Journal, (the journal of the Victorian Municipal Association), devoted the editorial of its September, 1976 issue to criticizing the Government's intentions. The editorial claimed that it was the unanimous view of Victoria's municipalities that the C.B.R. be maintained in its existing form. The editorial expressed the fear that the proposed amalgamation would result in the eventual integration of the Bureau into the Department of Transport with a consequent destruction of its independence from political influence. This sentiment was also expressed by the Secretary-General of the A.C.L.G.A., (Mr. A. Walls) in a letter to the Opposition spokesman on Transport.¹⁹

In fact local government went further in opposing the Bill than did the Labor Opposition. Labor in its reply to the government's second reading speech,²⁰ voiced its approval of the principle of a merger of the two research bodies, criticizing only the fact that the new merged body would not have a statutory basis. Labor admitted that administrative efficiency would be served by the merger.

Of course local government (and the State governments) did not have the same interest in the administrative efficiency of the Commonwealth public service. To them it was a simple matter of being well-served by the existing arrangement and feeling threatened by any change. A bureau not devoted entirely to roads would not be as likely to give roads such a high priority vis à vis other forms of transport. A possible cut in road grants that would be consequential, while being

economically justified, would hurt local government in particular.

The interests and actions of the State and local tiers of government in regard to the amalgamation is, then, an example of the way the federal system of government can provide inhibitors to administrative efficiency. They have no direct interest in the efficiency of the Commonwealth's decision-making process, nor in the relative merits of the various options to be decided upon. The recipient governments will attempt to have the donor government spend as much as possible in areas for which they are functionally responsible. This may be despite there being other more economically warranted demands on the budget of the funding government.

The Bureau of Transport Economics

Unlike the C.B.R., the B.T.E. has never had a statutory basis. It was created in 1971 under administrative regulation and was attached to the Department of Shipping and Transport.

Given the argument for its eventual absorption of the C.B.R. - that it would provide administrative savings and an elimination of overlapping research - it seems somewhat strange that the B.T.E. was ever set up as a separate entity in the first place. The Coombs task force which examined Commonwealth expenditure policies in the early 70's in fact addressed itself to this problem:

There appears to have been no compelling reason for setting up the Bureau of Transport Economics separately in 1970 rather than enlarging the functions of the Commonwealth Bureau of Roads to take in all areas of surface transport. The main reasons appear to have been that the Bureau of Roads had gained the confidence of the States and it was feared that, given the inter-modal jealousies existing in the transport field, widening its functions might complicate its role in the roads field, in which extensive liaison with State road authorities occurred. The independence

which its statutory role gave to the Bureau of Roads appears also to have been unwelcome to the proponents of a wider ranging transport research bureau.²¹

The review in fact recommended that the two bureaux be amalgamated on the basis of administrative efficiency.²²

The B.T.E. in both its pre and post amalgamation forms has the status of a "departmental bureau". As such, for the purposes of routine administration (e.g. the supply of funding for salaries, office equipment and stationery), it is within the Transport Australia. However the Director of the Bureau has direct access to the minister and is not (formally, at least) subject to the Department's permanent head.

In practice it appears that the direct link with the Minister has proved useful, though rarely used. According to a former acting Director, when conflicts between the Bureau and the Department do occur (for example, over the subject to be researched), both sides know that the Director can appeal directly to the Minister, who will usually support him.²³

Despite the appeal mechanism, the position of the B.T.E. as a departmental authority gives the Department very real power over the Bureau. This is because funding for the Bureau is controlled by the Secretary to the Department of Transport, who is also responsible for the appointment of the Bureau's Director. There have been suggestions that the Secretary has used both these powers to secure a compliant Bureau. At one stage there appears to have been a rift between the Secretary and an independently-minded acting Director, Mr. Keith Reid. Conflict is said to have centred about the publication of a report regarding Townsville airport. Department of Transport officials disagreed with

sections of the report and some assumptions upon which its methodology was based.

The acting Director had his way and the report was published, but he was destined not to be confirmed as permanent director. Instead the Secretary installed a former academic (Dr. C.A. Gannon), who played a major role in the department's review of Australia's International Civil Aviation Policy.

There have also been suggestions that the B.T.E. was squeezed financially during the period in which Mr. Reid was Acting Director. It has been claimed that the Secretary to the Department would not enable the Bureau to fill positions for which Parliament had appropriated funds. Unfortunately separate appropriations for the B.T.E. have only been made since 1977/78, so comparative figures are not available. Figures which compare the situation under Mr. Reid with that of Dr. Gannon are far from conclusive (see table 3.1). Certainly the B.T.E. found itself unable to spend its appropriation while Mr. Reid was Acting Director. It spent only three quarters of its appropriation in 1977/78. However, it fared little better under Dr. Gannon. The new Director took over in October 1978. In the 1978/79 financial year, expenditure as a proportion of appropriation actually fell to 70%. In the first full year of Dr. Gannon's directorship (1979/80), it rose to 80%.

Table 3.1

Appropriations and ExpenditureDepartment of Transport and Bureau of Transport Economics1977/78 and 1978/79 (\$m)

	D.O.T.	B.T.E.
	% of	% of
	approp.	approp.
1977/78 approp.	227.0	3.0
expend.	232.6	2.3
1978/79 approp.	348.6	3.0
expend.	262.3	2.1
1979/80 approp.	285.1	2.7
expend.	280.3	2.2

Source: Australian Treasury, Appropriation Bill No. 1 (Budget Paper no. 2), 1978/79, 1979/80, and 1980/81.

There is an alternative interpretation that could be made of the figures. This is that the B.T.E. has had trouble recruiting staff simply because it has been unable to attract applicants of sufficient calibre to fill vacant positions. On several occasions the Bureau has had to re-advertise positions in the hope of attracting candidates with the necessary qualities. There have been reports that the Bureau has been affected by low morale and that this has affected staffing levels in two ways. First, there has been a steady exodus of officers and second, potential replacements have been warned off. While the 80% expenditure of appropriation may appear to mitigate against this explanation given that if anything, the morale problem worsened during 1979/80, it should be noted that Parliament appropriated significantly less to the Bureau in 1979/80 compared to the previous year. Numbers of officials employed

have increased only slightly under Dr. Gannon. From June 1979 to September, 1980, staff levels increased from 104 to 108. (This compares with an increase of five from 99 in the year up to June 1979).²⁴ The B.T.E. is still well under its establishment level of 155. Consequently it is difficult to prove allegations that the Bureau has been "squeezed".

It could be argued that the mechanism for maintaining a departmental bureau's independence - appeal to the Minister - is illusory. After all, the Secretary of the department is meant only to be defending the policy of the government. The Secretary and the Minister could be presumed to have an identity of interest in conflict with the Director of the B.T.E., as they are both concerned with political, as opposed to professional considerations. While such arguments have validity, the incident referred to above does show that on this occasion at least the Minister upheld the B.T.E.'s independence even though the release of the report in question would have harmed the policy he followed. It is not publicly known if the acting Director did appeal to the Minister during the dispute, though one assumes that the Minister could have intervened to suppress the report had he thought it necessary.

Despite the Minister's laudable behaviour regarding the Townsville airport dispute, the fact that he is the last court of appeal in any dispute regarding the independence of a departmental Bureau, and the control which the departmental permanent head has over the Bureau's funding and senior appointments would indicate that the independence of the departmental Bureau is at least questionable. The suspicion that the C.B.R. was absorbed by the B.T.E. partly in order to curtail its independence appears to have some justification.

Ideally, the work of the B.T.E. is meant to be "self-starting". In practice most research is generated by discussions with officials of the Department of Transport and is requested by the various First Assistant Secretaries. Occasionally work is requested from other departments. Although more "ad hoc" than that of the C.B.R., the projects undertaken by the B.T.E. tend to be of a fairly long-term nature. Departmental divisions tend to have their own research units to study day to day policy matters.

The fact that the B.T.E. has never been limited to a single mode of transport is highly significant. Even before the amalgamation the B.T.E. concerned itself with roads and road transport. It's multi-modal approach has provided it with a greater potential to look dispassionately at all the transport options available than would a research organization linked to a single medium of transport. This benefit is assumed in a brief description of the B.T.E.'s functions given by the Secretary to the Department of Transport;

In the economic field, its role is to study systematically a wide variety of problems involving rail, road, sea and air transport investment policy. It is also involved in a range of pricing studies with the object of rationalising transport services and ensuring that the users and other beneficiaries meet their responsibilities, in accordance with Australian government policy.²⁵

It can be said then, that while its status as a departmental Bureau compromises the independence of the B.T.E., in another sense the multi-modal approach frees it from the possible bias suffered by the C.B.R.

It appears that the B.T.E. has never been forced to skew its findings for political purposes. This is not to say that legitimately arrived at findings have not been used for political purposes. To give

an example, former Prime Minister Gough Whitlam, during an election campaign offered an international airport to the people of Townsville. The strong opinion of the Department of Transport and Treasury was that such an airport was not warranted, and so the B.T.E. was asked to do a feasibility study which was expected to confirm this. The Bureau's research, (which duly supported bureaucratic opinion), made the renegeing of a campaign promise that much more justifiable.²⁶

The fact that the report condemning the Townsville airport proposal did not appear until six months after the Labor government was defeated points to another use to which the B.T.E. has been put. That is, governments have at times used the B.T.E. as a delaying mechanism when handling sensitive questions.

A final point which may affect the attitude of State and local government and other special interest groups toward the B.T.E. concerns the close physical ties it has with the Department of Transport. Such links include sharing the same Canberra building, administrative links such as sharing the same stationery office, photocopying facilities, etc. As well there is a high level of staff interchange between the two (the B.T.E. is even included in the Department's graduate recruitment rotation program), and of course there is frequent day to day contact between officers. Such factors lead to a belief among outside observers that the B.T.E. is more closely identified with the government and its policy than was the C.B.R.

Conclusion

The Commonwealth Bureau of Roads, and the Bureau of Transport Economics (both before and after the amalgamation), can be seen as

professional research bureaux with a strong claim to impartiality as regards sectional interests and ideology. This statement, however, needs some qualification.

Firstly, the C.B.R. can fairly be regarded as favouring roads against other forms of transport. As a result of this, its existence tended to favour private interest groups (such as road hauliers) who benefited from the emphasis on road expenditure. It also benefited the other tiers of government, (especially local government), because the vast bulk of Commonwealth money earmarked for roads is spent by them.

The B.T.E. cannot be said to have the same bias - its close identification with the Commonwealth government and its multi-modal approach help to prevent this. However it can be subject to government pressure to a greater extent than was the C.B.R., and its capacity for independent research depends largely on the Minister involved. There is some rather doubtful evidence to say that the Department of Transport has used its power to secure a compliant B.T.E., though it seems there is none to support a claim that the findings of research have been skewed to support government policy.

Having made these points, it should be noted that the officers employed by research bureaux are people who probably have a greater than average political awareness. It would be unreasonable to expect them not to be influenced by popular, (if transient), community feelings. If the same bureau's reports differ from each other in their emphasis on matters such as environmental concern and the need for local autonomy, which require non-quantifiable considerations, such differences can be described in the words of one officer who has served both the C.B.R. and

the B.T.E. as "legitimately moving with the times".²⁷

It can be seen then that the recommendations of the C.B.R. can reasonably be regarded as objective and non-political. As such they can be used as a measure against which the Commonwealth legislation can be compared. The only caveat necessary is that as the C.B.R. was not in a position to adequately assess alternatives offered by the other forms of transport (such as public transport), its recommended expenditure may have been higher than warranted.

Such considerations aside, it can be added that the technical expertise of both bureaux has rarely been doubted. There has been very little criticism of methods used. No government has yet claimed to over-rule their recommendations on the basis of superior research into technical and economic factors. Such considerations aside, it can be added that the technical expertise of both bureaux has rarely been doubted. There has been some criticism; their use of a 10% discount rate has been questioned and there have been more general criticisms of the way in which cost/benefit analysis has been applied to research into road investment.²⁸ More importantly for our purposes is that there has been no criticism from government sources. No government has sought to justify not following their recommendations by claiming to have undertaken superior research into technical and economic factors.

FOOTNOTES

1. Commonwealth Bureau of Roads, Report on Commonwealth Financial Assistance to the States for Roads - 1969 (1969 Report); Report on Roads in Australia - 1973 (1973 Report) and Report on Roads in Australia - 1975 (1975 Report). The last report was produced one year before the funding period would have indicated it was due because of the government's desire to bring in early legislation to integrate funding for the various transport modes. (see ch. five)
2. The Highway Department submission to the Bureau in 1975 mentions a decision by Mr. Virgo (State Transport Minister) to refer a proposed road from West Lakes to Port Road - to which there were many local objections - to the C.B.R. for consideration. C.B.R., Report...1975, vol. 2, p. 323.
3. From information supplied by a former senior member of the C.B.R., Mr. John Miller, 20 November, 1979.
4. Personal Communication, Mr. Norm Smith (Organization and Methods Officer, Highways Department), 3 Dec. 1979.
5. 1973 Report, ch. six.
6. 1975 Report, s. 1.44.
7. See 1973 Report, s.6.128.
8. 1975 Report, s.7.127.
9. ibid., s.7.183.
10. ibid., s.10.30.
11. ibid., ss.10.31-10.42.
12. Unfortunately those making the conflicting claims have not wished to be identified, though it can be stated fairly confidently that these arguing a loss of respect tended to be either members or former members of research bureaus, while those claiming it provided "ammunition" represented interest groups. One of the latter was willing to be identified; the Secretary-General of the Australian Council of Local Government Associations (Mr. T. Walls), personal communication (21 Feb. 1979).
13. Australian Parliamentary Debates, House of Representatives, vol. 104, p. 614 (24 March 1977).
14. 1975 Report, vol. II, p. 110.
15. ibid., p. 238.
16. Australian Parliamentary Debates, Senate, vol. 73, p. 1138 (4 May 1977).

17. Australian Parliamentary Debates, House of Representatives, vol. 104, p. 766 (30 March 1977).
18. ibid., p. 1050 (20 April 1977).
19. Australian Parliamentary Debates, Senate, vol. 73, p. 1137 (4 May 1977).
20. Australian Parliamentary Deabtes, House of Representatives, vol. 104, p. 74 (30 March 1977).
21. Review of the Continuing Expenditure Policies of the Previous Government (Report of a task force led by Dr. H.C. Coombs), A.G.P.S., Canberra, 1973, item 48.
22. loc. cit.
23. Claimed by a former acting-director, Mr. K. Reid at a seminar held at the Department of Transport, 21 September, 1977.
24. Figures for 1978 and 1979 have been obtained from the Department of Transport's Annual Report 1979/80, A.G.P.S., Canberra, 1980, p. 143. The 1980 figure was provided by the B.T.E.
25. C.C. Halton, "The Australian Department of Transport", an address to the Royal Institute of Public Administration Conference, November 1975, p. 5.
26. Mr. K. Reid (cited).
27. Mr. John Miller, (cited) personal communication, 20 Feb. 1979.
28. Discussion of the use of cost/benefit analysis to study road investment appears in the conclusion of the present study. David Starkie also criticizes the B.T.E.'s methods in a forthcoming article, "Economic Efficiency and Road Expenditures: the Case of Rural Arterials". He refers to criticism of the discount rate adopted by the B.T.E. These criticisms were made by T.R. Hastings and J.H.E. Taplin, "Transport Investment in South Australia: a Ten Year Review" (unpublished, University of Adelaide). For an exception to the generally uncritical stance taken by the politicians, see below, p.158.

CHAPTER FOURSPECIAL INTEREST GROUPS

The study of interest groups is hedged in by conceptual difficulties, even to the extent of defining what are interest groups and whether in fact 'interest group' or some alternative is the most appropriate term to describe them. In fact most writers on the subject appear to prefer the term 'pressure group'. The reason why 'interest group' is used in this study will be outlined below.

In defining 'pressure groups', Maurice Duverger was at pains to distinguish them from political parties. Consequently he claimed that in contrast to political parties, pressure groups

"do not participate directly in the acquisition of power or in its exercise: they act to influence power while remaining apart from it."¹

However, Duverger then goes on to recognize "public" groups which will behave in ways very similar to private pressure groups in order to influence government policies. Not only public agencies and institutions (such as the Australian Broadcasting Commission or the various Colleges of Advanced Education), but also departments of State will engage in activity to influence policy outcomes.² The apparent contradiction can only be reconciled if both public and private pressure groups are contrasted to the activities of political parties. The pressure groups wish to influence the decision-making process without (openly, at least) supplying politicians who would claim a legitimate mandate from the electorate. However even here the division is not as clear-cut as it may appear. Politicians (particularly in the United States and the United Kingdom), may be 'sponsored' by pressure groups. There is also the conception of political parties as aggregates of interest groups which,

if true, blurs further the distinction between pressure groups and parties.

Of course some groups put up candidates for election while recognizing that they have no real hope of even having a single candidate elected, let alone being in a position to form a government. The electoral process will be used to gain publicity, or perhaps the preferences the party direct may be used to put pressure on the other candidates.³ It is for this reason that Frank Castles' definition of 'pressure groups' requires simply that such groups not be represented at that particular time in the legislative body.⁴

Both the terms 'pressure' groups and 'interest' groups have their detractors. The former has been criticized as having pejorative connotations.⁵ However, both Mathews and Castles dismiss this criticism, noting that despite the misgivings of the 'uninitiated', the use of the term strictly within a definition can be value-neutral.⁶ Having accepted the term pressure group and clarified it to his own satisfaction, Castles goes on to distinguish two types of such groups. These are interest groups and attitude (or promotional) groups. The former is concerned to protect or enhance specific sectional interests, whereas the latter results from the shared attitudes of its members and is not limited to their specific interests.⁷

Of course the borderline between interest and attitude groups may be very hazy. Interest groups will always claim (and often believe), that their interests are those of the community as a whole, and of course to some extent this may be true. On the other hand there will be members of attitude groups who could be accused of being motivated by sectional

interests. Members of anti-war movements who are eligible for conscription provide an example. Also some groups are clearly interest groups on some occasions and attitude groups on others. The Returned Servicemens' League is an obvious example here.

In this study, the term 'interest group' will be used because although the groups concerned may believe they embody the community interest, they are also groups which will obviously stand to benefit more than the general community if their policies are adopted by the government. While it may be argued that 'pressure group' is still a satisfactory term in that it covers both of Castle's distinctions regarding interest and attitude groups, it does imply that such groups are external to the somewhat unified concept of 'the government' and are putting pressure on it. In fact the groups to be studied include public agencies, specifically the State road authorities and local government.

Any notion of the government as being some sort of black box into which demands are fed is very difficult to sustain. Within the government, conflict over policy will go right to cabinet level. The dispute concerning the damming of the Franklin River in Tasmania is an interesting example. According to one correspondent,⁸ the State Hydro-Electric Commission has openly lobbied members of parliament, arranged 'protest' meetings and spent considerable amounts through its public relations office to 'sell' the project to the public. In all this it has been bitterly opposed by another public agency, the State National Parks and Wildlife Service.

Even when restricting discussion to interest (as opposed to attitude) groups, a bewildering variety appears, both as to the type of

group concerned and the tactics they adopt. The Church of England, the Amalgamated Metal Workers and Shipwrights Union, the Australian Consumers Association, the local residents action group, the Northrop Corporation, the Taxation Department, the Friends of the Earth are all examples of organizations that are, among other things, interest groups. Clearly a conceptual analysis of interest groups requires further categorization.

One obvious distinction is between those groups whose exclusive aim is to bring pressure on the policy-making process and those groups for whom lobbying is only one of many activities. Duverger has made such a distinction in his discussion of pressure groups.⁹ Some organizations, through the provision of services perhaps little related to their lobbying efforts, can gain a mass membership which it then attempts to use as a bargaining support in its pressure group activities. However, while the distinction is useful in that it gives us basic information about the nature of the group, it has a shortfall in being very uneven in its categorization; relatively few groups can be described as 'exclusive'. For most pressure groups, the distinction simply serves to remind us that they have other reasons for existence beside putting pressure on the decision-making process. Also, (though this is not necessarily a shortcoming), the distinction also has its grey areas. For some multi-faceted groups, lobbying may be by far the most important activity. Duverger notes that exclusive organizations will often try to project the image of having broader concerns.¹⁰ Also, organizations, (especially federations), may form servicing bodies which are exclusively concerned with lobbying, despite the 'partial' nature of the component members.

Another useful means of categorizing pressure groups (particularly

exclusive groups), is to examine whether their goals are limited to a single issue or whether they serve a continuing interest, perhaps in an institutionalized form. The Campaign for Peace in Vietnam is an example of the former; the various Chambers of Commerce of the latter. Of course it may be that an organization whose concern is limited to a single issue may have a continuing existence, simply because of the perpetual nature of the issue. A group organized to fight protectionist policies provides an example.

The size of a group's membership will also be an important factor determining its character. Whether an organization has a mass membership or has relatively few members can help to reveal a great deal about its goals (e.g. whether they are interest groups or promotional groups), and their methods. Mass movements will tend to be promotional and will use their numbers in ways such as organizing petitions, holding demonstrations, etc. Narrowly-based organizations will tend to be more concerned with narrowly-defined interests and make private appeals to the decision-makers.

Once again the problem is that the distinction is by no means infallible. French farmers are renowned for using their huge numbers to demonstrate in support of their sectional interests. The example of organizations whose large membership results from the services they offer and not the causes they espouse has already been mentioned. On the other hand promotional groups may not succeed in attracting a mass following, causing them to rely on methods such as lobbying individual members of parliament. Usually however, such groups will still attempt to appeal to the public as well as the decision-makers. The League of Rights is one of many examples.

Interest groups use a huge variety of methods to get their point across, though these can be fairly easily classified as either being aimed at the populace as a whole or at a relatively few decision-makers. Appeals to, or pressure on, the population as a whole may range from letters to the editors and newspaper advertisements, to strikes and road blockades, to random acts of terrorism. (This suggests a further distinction between 'legitimate' and 'illegitimate' tactics, though the obvious difficulty here is where one places the dividing line.) Tactics aimed at the decision-makers will include financing of parties, personal contact (perhaps informal) and the use of delegations, as well as the illegitimate tactics such as the sending of threatening letters and corruption. Mathews quotes one commentator in a description of the defence lobbyists, typical of those whose efforts concentrate on the decision-makers.

"Most of them would not know how to make a press release and deliberately try to keep right out of the way of the media. Some do not even have their firm listed in the telephone directory...General Dynamics have an American, Jack Phelan, who has a regular meeting with a collection of senior Defence people each Sunday morning at the Federal golf course..."¹¹

Of course practically all interest groups will attempt to reach both the government and the populace to some degree. Even the defence lobbyists will resort to full page advertisements in the up-market press when the government is in the process of deciding on the purchase of new equipment.

From the welter of different pressure groups, then, it is possible to make a number of categorizations. Individual groups can be examined to see whether they are concerned with sectional interests or with matters of concern resulting from the attitudes of members; to see what extent they are 'public' or 'private', whether they are 'exclusive' or 'partial', whether their goals are temporal or perpetual, whether they

rely on mass membership or are narrowly based and to what extent their activities are directed toward the community at large or to a relatively few decision-makers.

Such an examination needs to bear in mind the intergovernmental context in which the groups operate. Relevant questions which should be asked here are: (1) to what extent does the intergovernmental context provide fissures to allow access for the interest groups, as opposed to the possibility that the activities undertaken between governments actually bar such access? and (2) how have the interest groups adapted to the federal system of government and what effect has their adaptation had on their internal strength?

It will be noted at the outset that, given the foregoing discussion, the use of the term 'interest group' as opposed to the more generic 'pressure group' implies that the groups to be discussed represent sectional interests and cannot be described as promotional. In fact all of the organizations concerned claim to represent the national interest, particularly in regard to road funding. Be that as it may, it will be recognised that the members of each organization do have a special interest in the policies espoused, and for this reason they have been termed special interest groups.

The organizations to be discussed are generally those who were invited by the Bureau of Transport Economics to make submissions during the preparation of the Bureau's 1979 report. The road authorities were invited to make a submission, but because they have been discussed previously, they will not be given special attention in this chapter.

Also, the truck owner-driver organizations will be discussed, despite their receiving no invitation from the B.T.E. At the time submissions were invited, the more important of these were members of the Australian Road Transport Federation (A.R.T.F.), which did make a submission. The Bureau probably felt that the interests of the owner-drivers were represented by the A.R.T.F. However the subsequent rift between the A.R.T.F. and the owner-drivers, and the spectacular blockade of Australian cities by the owner-drivers in April 1979 has warranted separate discussion of their organization and interests.

The Australian Road Federation (A.R.F.)

The A.R.F. is the major representative body for those industries whose health is directly affected by either expenditure on roads or the quality of roads, but who are not directly concerned with the transport of freight or passengers. It includes those businesses concerned with the manufacture, retailing and repair of motor vehicles, those industries producing products for road construction and repair, and a miscellaneous group of road user organizations and individuals.¹² Road users tend to be represented through other organizations such as the automobile associations or the Australian Road Transport Federation (A.R.T.F.), though they may also find it convenient to belong to the A.R.F. as well. (In fact these other organizations may themselves be members of the A.R.F. Such is the case, for example, with the A.R.T.F. and the Professional Transport Drivers Association.) It should also be noted that the oil companies' major interest in the A.R.F. is not through the sale of petrol, but through the sale of bitumen.

In the terms discussed at the beginning of this chapter, the A.R.F. is exclusively directed to lobbying, but the continuing nature of

the road funding issue gives it a permanent character. Despite the membership of large companies, various State road authorities, over a hundred local government authorities and organizations like the A.R.T.F., the Australian Road Federation operates on a very low budget. At the national level, it employs only one person on a half-time basis. In the States the situation varies. In South Australia secretarial assistance is provided by the Chamber of Commerce and Industry, who may also pay the expenses incurred by those travelling on A.R.F. business. Some indication of its limited resources is the total 1978 income of \$4,858 for the South Australian region.¹³ Considering this, the A.R.F. is a remarkably virile organization.

Membership of the A.R.F. is either on a national or State basis. Annual membership fees of about \$3,000 confine national membership to large organizations. National membership brings ex officio state membership. The Federation is organized in State and National Councils. The State council consists of 15 nominees. (The Constitution provides that these be elected but in fact difficulty is usually encountered finding fifteen willing to stand.) The National Council consists of each State President, plus one other representative from each State.

The A.R.F. actively pursues a number of methods to highlight the perceived deficiencies of the road system and to convince decision makers to act in the light of these deficiencies. At the national level, a quarterly Road News is distributed to any persons believed to be influential in policy making. Also at this level, delegations are organized to visit ministers and other key politicians. The State level also organizes delegations to ministers and undertakes measures designed to give publicity to the cause. Among the more imaginative approaches

used by the South Australian region has been the organization of a bus tour for Federal parliamentarians in order to make them aware of conditions on the Stuart Highway. From the subsequent debate in Hansard, it appears that this particular effort did make an impression on those involved. However, the federation's Executive Director has pointed out that the complexity of decision-making, involving several levels of government, makes it very difficult to assess how successful such lobbying is.¹⁴

At both the national and regional level, the A.R.F. has tended to focus its campaigns on the Federal rather than State governments. The Federal level is seen as that with the greatest capability to increase funds. It is only in recent editions of Road News (e.g. March 1980) that the States have been targets of criticism. The given reason for this has been simply that the States have never been open about the amounts they spend on roads and how they spend this money¹⁵ It is claimed that the Commonwealth, with its series of budget papers detailing all income and expenditure, provides the ammunition to be used by its detractors.

The S.A. regional body of the A.R.F. has joined with the national body in concentrating its efforts on the government in Canberra. According to its public relations officer, the regional body has been quite happy with the effort of the State government and has accepted (though not necessarily agreed with), its priorities.¹⁶ This may seem strange, given that while the Federation's major campaign (apart from more funding generally), has been for the sealing of the Stuart Highway, the South Australian government has chosen to spend the bulk of National Roads money on the link between Adelaide and Melbourne. The regional committee is impressed by the fact that in absolute terms South Australia

contributes more funds from its own sources for National Highways than any other state.¹⁷ On the other hand, it does not appear perturbed that the South Australian government spent the least of any state government per capita on roads in 1978/79 and less than any, excepting Victoria, in amounts spent per vehicle.¹⁸

Whatever the policies and effort of the State government, the ability of the regional body to criticize is severely inhibited by the diverse interests of its members. The same is true, to a lesser extent, of the national body. Harmonious relations with the State governments are necessary because of a coincidence of two factors; the State governments are responsible for the letting of a great deal of contract work, and the A.R.F. is largely composed of organizations reliant on such contracts. At the regional level* this problem is more apparent because members are likely to be locally based and so more reliant on their particular State government. Companies such as Hot-Pave Pty. Ltd., Quarry Industries Ltd., and Ready-mix would all be harmed if relations between the A.R.F. and the State government grew so bad that the government directed business away from Federation members to competing firms who were not members.

As well as this, of course, the Federation includes among its members a number of government and semi-government authorities. The Highways Department is a member, as are thirteen local authorities. The position of the Highways Department is interesting as it demonstrates its

* South Australia is grouped with the Northern Territory to form the S.A./N.T. regional group of the A.R.F.

active role as an interest group. In fact the Department, along with the other State road authorities, has made no secret of this, freely adopting the A.R.F.'s slogan; "Good roads don't cost, they pay!".

The position of the Highways Department may be expected to cause some embarrassment by putting the Federation in the position of lobbying one of its own members. Such a situation does not arise, however, as the Federation concentrates all its lobbying efforts in South Australia on the minister and his staff. The Federation sees little value in lobbying permanent administrative staff. When questioned on this, the firm opinion was expressed that major policy decisions were taken either by the Minister or Cabinet, and not by the public service.¹⁹ It has been shown earlier that such a view is usually justified in relation to the overall level of road funding, which is generally the limit of A.R.F. concern. However, when the A.R.F. does undertake campaigns for specific projects it may well be opposing the stance of the Highways Department. For example, despite the A.R.F.'s campaign on the Stuart Highway, the State government has followed the Highways Department's advice by giving it a low priority compared with the Dukes Highway.

It was noted earlier that the members' reliance on government contracts is less of an inhibitor at national level than at regional. However, the interests of members do have a profoundly limiting effect on the scope of A.R.F. campaigns, and this applies particularly at the national level. The Federation has needed to be very wary in its campaigns in order not to alienate support from one member or another.

The clearest example of the problem here occurred in 1978 when the then President of the A.R.F., Mr. John Shaw, said in a speech that 'bus

only' lanes could never provide the complete answer to urban traffic congestion. This comment was enough to prompt a threat of resignation by the Bus Proprietors' Association.²⁰ Because organizations involved in public transport are members, the A.R.F. must be careful not to criticize governments for giving priority to road using public transport at the expense of road funding. Similarly, although many of its members are big users of fuel, the A.R.F. cannot criticize the oil parity pricing policy, because the oil companies who benefit from the policy are also numbered amongst the members. Membership also makes taxi operators, car manufacturers and local government immune from criticism, as well as ensuring that the A.R.F. will not push for policies that may advertantly or inadvertantly harm their interests.

The result of this is that the A.R.F. adopts extremely broad goals in its campaigns. In fact there is only one basic goal, and that is more money for roads. If the Federation (that is, its Regional and National Councils), believes that local roads are being far too generously treated in comparison with arterial roads, at no stage can it say that the cake ought to be sliced differently; it must instead urge a bigger cake.²¹

All the campaigns undertaken by the A.R.F. are designed not to offend the interests of members. These campaigns include the funding of National Roads, (especially the Stuart Highway), the building of urban by-passes (freeways), the standardization of traffic laws and the restoration of the nexus between the amount received by the Federal government in fuel taxes and the amount it gives to the States by way of road grants.

Throughout the seventies, the most vigorously pursued campaign was for the restoration of the "nexus". The earmarking of Federal fuel revenue for roads grants was introduced in 1931 and abolished in 1959. Since that date, Federal fuel taxes have been paid into consolidated revenue, and the proportion of these taxes paid out in road grants has slipped steadily throughout the sixties and declined even more rapidly in the seventies. In 1978/79, the amount given to the States in road grants was only one sixth the amount collected by the Federal government from fuel taxes.²² Even in the early seventies, the restoration of the nexus was regarded as a pipe-dream by the C.B.R. Since then, the revenue from fuel taxes has risen dramatically, and while road lobby groups may dream of the huge increases in funds that will occur when fuel taxes are once again earmarked for roads, in reality such dreams became all the more hopeless. Nevertheless, the campaign for the restoration of the nexus offends none of the A.R.F.'s members.

Of course the campaign may simply be an 'ambit claim'; a lobbying tactic. However, ambit claims are still meant to indicate the direction toward which claims are moving. In the case of road funding, grants as a proportion of fuel taxes are moving steadily in the opposite direction.

Local Government

The reasons for including local government as an interest group were discussed briefly at the beginning of this chapter. The State governments share its role as an agent encouraging a more liberal attitude to road fund by the Federal government. Unlike the State governments, however, local government has no responsibility for final decisions made in the intergovernmental process.²³

Although multi-purpose bodies, local government authorities (particularly in rural areas) have traditionally had the provision of roads as their major concern. In very many cases, rural councils are little more than road boards. Even when rural and urban local authorities are combined, road expenditure accounts for 35 percent of total spending.²⁴ The importance of road grants to local government is apparent in the following comment by the B.T.E.:

"About 54% of all local authorities, containing about 10.6 percent of the total population, are rural or small-town centred and expenditure on road works can be a very high proportion of their annual budgets. For these authorities financial transfer from other levels of government whether directly for roads, or by way of general assistance, are very important."²⁵

No Commonwealth expenditure benefits local government as a whole as much as expenditure for roads. In no other area of Federal outlays does local government play such a prominent role in the delivery of the service. Because road funding employs council resources more than any other form of Commonwealth expenditure, local government will exert pressure on the Commonwealth to spend more money on roads, just like the other road lobby groups.

Local government has structured itself in a way similar to the other special interest groups. Authorities of each state have at least one statewide local government association.²⁶ These associations join federally to form the Australian Council of Local Government Associations. Although the A.C.L.G.A. has been in existence since 1947, it was only in 1976 that it set up a secretariat to lobby the federal government.

Unlike the automobile associations which will be discussed later, the various local government bodies are not inhibited by the policy of

having the federal body concentrate only on the Federal government while leaving the various State governments to their respective state associations. Though this policy exists, the A.C.L.G.A. feels free to communicate directly with State governments, and the State bodies enjoy a similar freedom to pressure the Federal government. In fact from 1976 until the time of writing, the activities of the Local Government Association of South Australia regarding road fund have practically all been aimed at the federal government.

Local government as an interest group does itself suffer from conflicting internal interests. The sensitivities of State-based membership mean that it is difficult to demonstrate inequalities by pointing to the advantages of one State over another. A similar situation applies with complaints about particular categories of road funds because of the usually quite distinct split between rural and urban interests within the various State Local Government Associations. Because these bodies are consensually orientated and avoid decisions in which majority interests simply overrule minority interests, many policies are simply not adopted or decisions are not taken because of the objection of one member. While a number of States avoided this problem by having separate association for rural and urban councils this has not extended to the national level. At the 1979 Conference of the A.C.L.G.A., for example, a motion was put by the Western Australian Country Shires Councils Association that the Council should call on the federal government to look particularly at increased funding for rural local roads. The Victorian Municipal Association, which has a majority of urban interests on its executive, vigorously opposed the motion as it was worded, and pushed for an amendment which added the words 'and urban'. Largely because Victoria would not support the original

proposal, the more wide-ranging amended proposal was adopted. Once again the specific-interest group was reduced to simply calling for more money for roads.

The above statement needs qualification. Because State governments generally have responsibility for roads classified by the Commonwealth as 'arterial' and local governments has responsibility for 'local' roads, local government can wage a single-minded campaign on behalf of local as against arterial roads. A source within the Transport Australia has claimed that the schedules of the State Grants (Roads) Bill of 1977 which were recommended by the Department were altered at executive level to favour local roads in response to one such campaign. This is reflected in a speech made by the then Transport Minister, Mr. Nixon, to the International Road Federation:

The Commonwealth's increase of funds by 46 percent for rural and urban local road categories over 1976-77 reflects the Government's clear policy commitment to assist local government meet its road expenditure needs."²⁷

Local government is very aware of need to lobby the other levels of government and is quite sophisticated in doing so. The Secretariat serving the A.C.L.G.A.'s six man executive is headed by a former member of one of Canberra's leading professional lobbying organizations, Eric White and Associates. Its targets at the Federal level are key ministers and public servants, Opposition leaders, the press gallery and government backbenchers.

Through its various State government associations, the A.C.L.G.A. can marshall the resources of over 860 local authorities throughout Australia. In fact a major role of the A.C.L.G.A. and the various State local government associations is to coordinate the lobbying efforts of

the local authorities. These activities take the form of letter writing campaigns and representations to local members and ministers as well as petitions. In the debate over the Commonwealth Bureau of Roads (Repeal) Bill, for example, it was apparent that the A.C.L.G.A. and the various state associations had orchestrated a strong campaign against the repeal. Many, if not most, of the speakers mentioned letters and representations they had received from local government and Senator Jessop (S.A.) claimed that the total number of representations he had received regarding the bill was greater than he had received for any other piece of legislation. (As a consequence, Jessop, a government backbencher, was "worried" by the bill and supported it "with misgivings".²⁸)

With regard to road funding the role of the A.C.L.G.A. and the State Associations is largely confined to lobbying the Federal and State governments for more funding for local government as a whole, and to orchestrating campaigns by local authorities. They will only take up the claims of individual authorities if it is felt that the position of the authority could have wider ramifications.²⁹ The Associations are very wary of doing anything that may excite the jealousy of members. As a consequence, it would not even point to specific geographically defined defects in the local road system for fear that other councils will object that their roads have not been mentioned.

Consequently individual authorities are largely on their own in their efforts to obtain more funds for their local roads. How successful they are may largely depend on the relationship between the clerk and the respective regional engineer of the State road authority. Individual councils will generally attempt to be on good terms with local

parliamentarians of both houses at both State and Federal level. Despite a heavy reliance on locally-based representatives and officials, councils may also directly lobby ministers at State and even Federal level for their particular roads.

Motorist Organizations

Unlike the A.R.F., the various automobile clubs, (represented in Canberra by the Australian Automobile Association), do not feel the problems resulting from an attempt to present a wide variety of interests. Despite the huge combined membership (over 2,500,000), the automobile clubs see themselves as representing only one interest; that of the private motorist. However, the some problems regarding conflicts of interest that face local government when dealing with State and Federal government apply to the motorist organizations.

The Australian Automobile Association (A.A.A.) is dominated by the various state clubs. The A.A.A. is merely a national secretariat set up to lobby the Federal government. In 1979 it had only five full-time staff, headed by a secretary-general appointed by the Presidents of the State members organizations. There are no elected office bearers. The A.A.A. does have some independent sources of revenue, such as fees for international drivers permits.

The A.A.A. has seven constituent members: the National Roads and Motorists' Association, the Royal Automobile Club of Victoria, the Royal Automobile Association of South Australia, the Royal Automobile Club of Queensland, the Royal Automobile Club of Western Australia, the Royal Automobile Club of Tasmania and the Royal Automobile Club of Australia. In addition there are two associate members: the Automobile Association

of the Northern Territory and the Automobile Association of Papua New Guinea. The policies of the A.A.A. are decided each year at the national conference of constituent members.

The national secretariat concerns itself with many more issues than road funding. In recent years it has made submissions to the Federal government on tourist accommodation, C.B. radio, vehicle emission standards, road safety and energy policy.³⁰ Another major interest is the standardization of laws, regulations, and safety devices throughout Australia.

The A.A.A. lobbies the government by means of press releases, feeding information to politicians and government officials and the preparation and forwarding of submissions to various government bureaux and inquiries. Once a year, during the period in which the Commonwealth budget is formulated, representatives of each of the constituent members form a deputation which visits relevant Federal ministers in an effort to extract a greater proportion of the budget for roads.

The tactics of the A.A.A. are not those that may be expected of a body which represents the interests of so many members. Of course the vast majority of these members did not join their respective motorist organization to have their interests pushed, but rather to take advantage of the road breakdown service. They may have no sympathy at all for the A.A.A.'s campaigns. Mathew's comments on the Victorian and New South Wales clubs show why such mass membership organizations behave as though they have very few members:

"As with many sectional associations whose membership is recruited on the basis of the selective membership benefits they offer to their members, the members of the R.A.C.V. and the N.R.M.A. appear

to be quite indifferent to collective goals and to participation in their Association's decision-making process, so long as their selective benefits are not threatened."³¹

Traditionally, lobbying by the A.A.A. has been confined to the Federal government and in the past each State organization has confined itself to lobbying the government of its State. Problems have stemmed from this neat division of lobbying responsibilities and from the relatively weak "centre" of the A.A.A. compared with its component State clubs.

An example of the former problem was the campaign to seal the Eyre Highway in the late sixties and early seventies. At that time the road was the complete responsibility of the State in which it was located. The Western Australian government, anxious to improve communications with the eastern States, was reasonably prompt in sealing the Eyre Highway as far as the South Australian border. The South Australian government, not having the same urgency of interest, was far more reluctant to complete the bitumen link with the west.

Despite the obvious national importance of the road, the only club to lobby the South Australian government to seal its section was the Royal Automobile Association of South Australia. It was not seen as the responsibility of either the A.A.A. or the Royal Automobile Club of Western Australia. This is also despite the obviously greater interest of R.A.C.W.A. members compared with that of R.A.A.S.A. members.

The problem concerning roads of national importance largely disappeared when the Federal government took over full responsibility for National Roads. Practically all of the interstate roads that are the subject of campaigns for improvement are the responsibility of the

Federal government. This is one reason why the Federal government has been the target for recent campaigns. Indeed the 1980 campaign for increased road expenditure had as its sole goal an increase in Federal funding to \$900 million per annum. The campaign was developed by the national secretariat, with the State bodies' resources being used to carry it into effect. Any lobbying of the State governments was simply to get the States to put more pressure on the Commonwealth.³²

There is a more important reason for the concentration on the Commonwealth government than its responsibility for National Roads. As has been noted, Federal road grants come out of general revenue. Each State draws the funds it spends on roads either from these grants or from taxes on vehicle ownership and usage (licences, registration, petrol selling franchise taxes and so on). These taxes are earmarked for road purposes. Therefore if the States spend more on roads it will be the road users - members of the motorist organizations - who will pay. This fact explains the seemingly inconsistent stance of urging the Commonwealth to spend more on roads while criticizing the "savage quotas" the Commonwealth imposed on the States in order to ensure that they contribute fairly to the funding of roads.³³ The higher the quota, the higher will be the State road taxes that have to be paid by members.

The importance of the national secretariat has grown in recent years. Its coordinating role in the 1980 campaign has been mentioned. It has received inputs from the various State organizations and has produced a "package" of publicity material from which the States choose whichever items are appropriate for their circumstances.³⁴ However, the national secretariat is still very much a body which serves the State organizations, with little input into policy-making. Even its capacity

to serve has not increased commensurately with the increased importance of the Commonwealth in road matters. As was mentioned earlier, policy is decided at a national conference of members. The A.A.A. faces similar problems to that of the A.C.L.G.A. if disagreements persist. The A.A.A. is committed to consensus. If a minority disagrees with the majority the chances are that the matter will be shelved. The likelihood of this occurring is even greater when there is no pressing need for agreement to be reached, such as in formulating recommendations and demands to put to the Federal government.

Australian Road Transport Federation (A.R.T.F)

Like the A.R.F., the A.C.L.G.A. and the A.A.A., the Australian Road Transport Federation is an association of associations. It's interests are somewhat narrower than those of the A.R.F.; while the A.R.F. represents all those industries in some way concerned with road funding, the A.R.T.F. is largely confined to road users.

The A.R.T.F. has a strong position vis-a-vis its State based member organizations because of separate national membership open to major employers. Each State body provides two delegates. An organization with national membership has one delegate for every \$500 it provides. As a consequence, the National Freight Forwarder's Association has 17 delegates at the federation's national conference; more than all the State-based member organizations combined.

It is only recently that the federation has moved actively into the area of lobbying for road funds, and it still sees its major role as representing employers on matters such as motor vehicle standards, road safety and industrial relations.³⁵ In the past, the membership of the

A.R.F. and the Assembly of Australian Business Organizations has been designed to discharge its responsibilities as regards lobbying on financial matters.

Despite the relatively narrow interest base, the A.R.T.F. still suffers from divisions of interests among members. One division that recently split the federation occurred between passenger carrying interests, represented by the Bus Proprietors Association and the goods carrying interests, represented by organizations such as the National Freight Forwarders Association. On a number of issues passenger carrying and goods carrying interests diverge. For example, bus proprietors did not have to pay road maintenance contributions. They realized that if the goods carriers had their way and road maintenance contributions were abolished, they would have to pay increased fuel prices resulting from the State's efforts to recover lost revenue. Understandably they were not enthusiastic about the campaign to abolish R.M.C.s.

Within the A.R.T.F. passenger interests have usually taken second place to goods interests. Voting power is determined by membership payments, and the bus owners have not been able to match the contributions of the freight forwarders such as Brambles and T.N.T. At a special convention of the State Bus Proprietors Associations in Canberra in February 1980, the Australian Bus and Coach Association was formed. All but the Tasmanian Bus Proprietors Association announced their resignation from the A.R.T.F., which took effect from 31 August, 1980.

In South Australia, passenger interests and freight interests have long been represented by two separate organizations; passenger interests by the Bus Proprietors Association (B.P.A.(S.A.)) and freight by the

South Australian Road Transport Association (S.A.R.T.A.). However, the two organizations share the same executive director; a fact which must cause some amusement in government circles, as on occasion the director has found himself writing two letters on the same issue, arguing diametrically opposed views. A recent example of this was the issue of maximum weight allowances for rear axles. Bus proprietors have traditionally been allowed a higher rear axle limit due to the nature of their load. When the issue came under review the executive director of S.A.R.T.A. wrote to the South Australian Department of Transport arguing that bus operators should not be allowed such a margin, while the executive director of the B.P.A. (S.A.) wrote to justify the margin. The same signature appeared at the bottom of both letters.³⁶

Apart from the matter of confidentiality and the danger to the credibility of lobbying campaigns, the arrangement seems to have few difficulties. In general, both organisations have tended not to criticize the government for the favoured treatment of the other. In the previously discussed issue of road maintenance contributions, S.A.R.T.A. accepted that the bus operators escaped taxation in this way and in the campaign for their abolition, this fact was not highlighted. Similarly, the B.P.A. does not now complain, at least publicly, that the large trucking firms are making huge gains due to the replacement of R.M.C.'s by the fuel tax.

A more serious interest split from the point of view of lobbying for better roads is that between prime contractor interests and those of subcontractors.

Voting power based on membership payments (mentioned earlier) has left the A.R.T.F. dominated by the wealthy employer and prime contractor interests, largely represented by the National Freight Forwarders Association. As well as this, the State road transport associations tend to have members of a similar nature and include the large freight forwarders such as Brambles, T.N.T. and Ansett.

This position means that the A.R.T.F. and to a lesser extent the State associations tend not to have an exclusive interest in roads and trucking. The prime contractors will subcontract to whichever contractor - of whatever mode of transport - will transport the goods most satisfactorily and cheaply. In times of escalating fuel prices the more fuel efficient rail and sea modes have been enticing business away from road-based subcontractors, particularly on longer hauls. The relative economics of road and rail transport has led the A.R.T.F. to stress the complementarity of the two. That is, road transport should be used on shorter routes and to transport goods to and from railheads.³⁷ This utilitarian approach implies that the A.R.T.F. may favour greater investment in long distance rail and sea haulage facilities, even at the expense of interstate highways.

At the State level, this is not a strong cause for concern amongst members who are road hauliers. In the South Australian Road Transport Association, for example, road transport operators such as Drings and Fleet Express are large short-distance carriers. However, the situation must concern one of the major nationally-based members of the A.R.T.F., the Long Distance Road Transport Association. The L.D.R.T.A., although financially dependent on both prime and sub-contractors³⁸ at one stage threatened to withdraw from the A.R.T.F.³⁹ - though, as shall be seen

below, not simply because of the A.R.T.F.'s utilitarian approach to investment in differing forms of transport.

Owner-driver organizations

Although the A.R.T.F. denies it,⁴⁰ both it and the State road transport association are employer associations largely representing prime contractors and have no place for the independent owner driver. In fact several of the State associations told the inquiry conducted by Sir David Hay for the Minister for Transport that when faced with membership applications from sub-contractors, applicants are advised of the conflict of interest that would result from trying to represent both prime and sub-contractors.⁴¹

The Long Distance Road Transport Association also appears to be a prime contractor organization despite the bulk of its members being one vehicle owner-drivers. The Hay inquiry "had reservations" about the L.D.R.T.A. claim that its role and membership did not involve it in a conflict of interest, and noted that its structure was more suited to the needs of the larger operator than those of the owner-driver.⁴² It also noted that the freight-forwarders exercised power within the organization "out of all proportion" to their numbers,⁴³ and commented that the fact that it could claim only 385 members (out of an estimated "market" of 10,000) after 31 years operation supported the view that its achievements "have not matched its capacity".⁴⁴

Despite these problems, the L.D.R.T.A. has proved to be an effective lobby organization in the protection of its members' interests. It fought the 1952-55 Hughes and Vale case which found that interstate hauliers could not be subject to the 3d. ton/mile tax that was

then in existence. It played a major role in the campaign to abolish the fuel taxes imposed by the N.S.W. and S.A. governments in 1975, and told the Hay Inquiry that it was confident its campaign to remove the Federal diesel excise of 5¢ a litre would be successful.⁴⁵ (This confidence appears to have been misplaced. The excise has yet to be removed.)

The other long established organization which makes claim to the representation of owners-drivers is the Transport Workers Union (T.W.U.). Being an employee body, it does not attempt to represent drivers who operate more than one truck, and its concerns are dominated by industrial matters. Only about 17 percent of its 100,000 members are owner-drivers and the membership of workers involved in the other forms of transport modes means that it cannot campaign for roads against the other modes.

Neither the L.D.R.T.A. nor the T.W.U. has satisfied owner-drivers. At one stage the Hay Report commented:

"The Inquiry could not but be moved by the manifest dissatisfaction, indeed anger, expressed by numbers of L.D.O.D.'s [long distance owner drivers] with the failure of the L.D.R.T.A. and the T.W.U. to attend to their interests at a time of financial crisis."⁴⁶

There are at least five organizations whose specific aim is to represent owner-driver. Four of these were examined in the Hay Report.⁴⁷ The largest is the Professional Transport Drivers Association, which was founded in South Australia in 1971. It has 1773 financial members (1469 of which are owner drivers) and operates in W.A., S.A., Victoria, Tasmania and N.S.W. It has affiliated with the Australian Association of Transport Operators (A.A.T.O.) which operates in Queensland and the Northern Territory. The A.A.T.O. was originally formed as the Queensland branch of the Australian Transport Association

(A.T.A.) during blockades of April 1979. It now, however, regards the P.T.D.A. as the "logical choice to represent L.D.O.D.'s in all the southern states."⁴⁸ The A.T.A., although originally centred in N.S.W., has now only a branch operating in Victoria, and that has only 80 members.⁴⁹ The last organization referred to in the Hay Report was the Independent Truckers Association (I.T.A.). It was formed in August 1979 with the financial help of its 'parent' body the American I.T.A. It now has 208 financial members, of which 128 are owner drivers.⁵⁰

Organizations attempting to represent owner-drivers, particularly long distance owner drivers, face a difficult task. Membership of the organizations discussed is fluid, and if the A.R.T.F. estimate of 60,000 owner drivers⁵¹ is correct, then their combined membership represents only one third of the 'market'. If one excludes the 18,100 members of the T.W.U., less than 4 percent are members.

An important reason for this is probably the nature of owner drivers and their work. It is commonly held that they are very independently minded and the wariness which they have treated the T.W.U.⁵² indicates their dislike of any form of compulsory membership. For long distance drivers, the problem is compounded by the fact that they spend many hours on the road and operate hundreds of kilometres from their base which is commonly a country town. Consequently there are great difficulties in organizing a structure which members feel they can participate in. The tendency has been to stress regionalization so that no member needs to travel far to attend meetings. Another factor which may be important currently is the financial difficulties in which owner drivers have found themselves. For example, the I.T.A. claims a total membership of 430, even though only 208 are "financial".⁵³

The other result of the independence of owner drivers is that what representation there is is fragmented. Even if one excludes the L.D.R.T.A., there are at least five organizations with practically the same ends, fighting amongst each other for members. Furthermore, Truckin' Life contains stories of splits within these organizations.⁵⁴ Perhaps the most spectacular example of the problems of organization would be the Australian Transport Association. It was formed on Razorback Mountain by the leaders of the blockades. The 4000 truck owner-drivers involved in the blockades pledged membership, yet in January 1980 it had only 80 members.

To the extent that organizational strength determines an interest group's influence on government policy, the position of owner drivers must be weak. The infighting and jealousy between groups was particularly apparent at the time of the truck blockades, when the A.R.T.F. the L.D.R.T.A. and the T.W.U. all refused to condone the action. However, the blockades succeeded in ridding the owner-drivers of road maintenance contributions, increased weight road limits, and dramatically brought to the public's attention other grievances.⁵⁵

The blockade of roads by truck owner-drivers in April 1979 was a spectacular example of the way a charge could be rescinded through the use of force. Admittedly, the abolition of Road Maintenance Contributions (R.M.C.s.) was only one of the demands of those blocking the roads, but the way in which the States quickly capitulated on this matter is an example of the way it is claimed the federal system can be used by interest groups to place pressure on governments. It is worthwhile to illustrate this point by examining the event in some detail.

Although all mainland states imposed R.M.C.'s up until the blockades, from the start most pressure was applied on the N.S.W. government. The first blockade was set up on the Hume Highway late on Monday, 2 April. Blockades in the other States did not appear until late Tuesday or Wednesday. On the Wednesday, the Queensland premier announced the State's lifting of R.M.C.'s. This was despite the fact that the newly organized blockades in that State were at that time having little or no effect on traffic movement. In a move clearly designed to embarrass the Labor government in N.S.W, Mr. Petersen said:

"I don't agree with the vicious taxes and fines the New South Wales government has imposed on truck operators."⁵⁶

(It is interesting to speculate why the Premier felt he could forego the \$5 million that R.M.C.s raised. In defending his action in parliament, Mr. Petersen claimed the shortfall would be recovered by the natural growth in taxes.⁵⁷ Perhaps he also had in mind the replacement of the R.M.C.s with a fuel tax. The Minister who would normally have announced the decision was 'out of town' at the time, and it is likely that he was not consulted on the move which, because R.M.C.s were earmarked to be spent on road maintenance, would have cut the funds available for roads.)

In his efforts to embarrass the N.S.W. government, the Queensland Premier was supported by the Liberal/Country Party Federal Government. On Thursday the fifth, the Minister for Transport told parliament that he had urged all State governments to drop the tax, praised the 'statesman', Mr. Petersen for his action, and referred to Premiers who refused to do the same as "completely lousy and miserable". His statement was particularly aimed at N.S.W.:

"The sooner New South Wales faces up to its proper responsibilities and abolishes the tax, the better it will be for everyone concerned."⁵⁸

The Victorian Premier, Mr. Hamer also (perhaps inadvertantly) put pressure on the N.S.W. government by claiming his government had always wanted to abolish R.M.C.s and that the Victorian blockades were designed to put further pressure on the N.S.W. government.⁵⁹ For this Victoria and Queensland were accused of 'surrender' by the Sydney Morning Herald.⁶⁰ N.S.W. was supported in its stance by the Western Australian government, which was also reluctant to forego R.M.C.s. The Premier, Mr. Court, claimed that Queensland, being favourably treated by the Commonwealth, could afford to forego the contributions. Western Australia could not. The West Australian also claimed that Mr. Nixon's statement in parliament had 'angered' the W.A. government and quoted Mr. Court, as saying:

"Irresponsible statements from Mr. Nixon help nobody. It is not a substitute for action he should be taking as Minister for Transport."⁶¹

The Federal government's stance at this time was that the matter was completely the responsibility of the States. Mr. Nixon felt free to offer advice to the N.S.W. government, however, while at the same time refusing to consider the imposition of a federal fuel tax to replace the R.M.C.s. (The States were reluctant to impose their own fuel tax because of doubts about constitutional validity.) Nevertheless, he did agree to attend a Special Meeting of A.T.A.C. convened on the Saturday to help resolve the crisis. At that meeting it was agreed that R.M.C.s throughout the country would be abolished.

Both N.S.W. and W.A. claimed afterwards that they were pressured into dropping the tax by the actions of the other States. The N.S.W. Premier, Mr. Wran, commented:

"It seems to me that the truck drivers, inspired by some statements from some leading political figures seem to think they can get anything they ask for....N.S.W., the capitulation having been made by the other States, certainly will fall into line."⁶²

The Western Australian Minister for Transport, Mr. Rushton, later explained his government's position:

"The road maintenance contribution has been a legitimate charge on heavy trucks because of the greater wear and tear they caused to the road system. Western Australia had not had anywhere near the same degree of evasion of the road maintenance contributions as the other States, and had not intended to abolish the scheme at this stage. However, the decision of the other States to abolish it left Western Australia with no alternative but to follow suit if it was not to penalize its own transport industry in relation to industry through the rest of Australia."⁶³

The foregoing account has highlighted the way in which the federal system appears to have advantaged interest groups. By putting pressure first on the most vulnerable government (or those which are best placed to accede to demands), extra leverage is created to use against these governments holding out.⁶⁴ This also would apply, of course, to those governments which are most sympathetic to the interest groups concerned.

However, further consideration must leave doubts as to how real were the weaknesses of the federal system in handling the road blockades. Certainly the tactic used - ringing the capital cities to prevent freight movement in or out - was a weapon that would have put a great deal of pressure on a unitary system also. For the federal system to provide the weaknesses perceived, the interest groups concerned must be able to substitute activity in one State for activity in another. If they are unhappy with the conditions pertaining in one State, they must be able to shift operations to another. Owner-drivers cannot do this. Each State needs a transport industry, and to the extent that road transport is viable, road transport will serve that need. An owner-driver cannot bring goods to and from Adelaide without using South Australian roads.

The quoted comments of the politicians, complaining of the action taken by Queensland, are then little more than excuses given to justify their giving in to the force of the owner-drivers. It is notable, for example, that despite the W.A. Minister for Transport's defence of R.M.C.s, his State was the first to introduce a replacement form of revenue raising. The reason for this was that Western Australia was, at the time of the blockades, already well progressed in plans to replace R.M.C.s.

Transport Industries Advisory Council (T.I.A.C.)

Before concluding the discussion of special interest groups, mention should be made of the Transport Industries Advisory Council (T.I.A.C.). This body has members drawn from various sectors of the transportation industry, and was specifically created to advise the Commonwealth Minister for Transport. It could justifiably be thought then that here is an excellent opportunity for interest groups to gain access to and influence over the government process.

In fact the secretariat's description of T.I.A.C. would appear to highlight this role:

"T.I.A.C. provides a medium for direct access between the transport industry and the Commonwealth Minister for Transport. Its functions are to provide advice and comment to the Minister on policy issues affecting the transport industry as well as recommendations on how to improve Australia's transport system."⁶⁵

This access is enhanced by its being directly involved in high level pre-budget deliberations. However, a number of factors inhibit T.I.A.C. from carrying out this role. In October 1979, the Council had 39 members selected on the basis of their expertise and their willingness to use that expertise to improve the industry. Members are also chosen with a

view to provide as wide as possible representation of interests involved.

Members form a diverse group. Most companies that one would expect to be represented are in fact included: for example, Brambles, Ansett Transport Industries, East West Airlines, and Mayne Nickless have members of their management on the council. Public authorities which deliver transportation services, such as Westrail and Qantas are also included. As well as these, however, there are a number (at least ten) members who are public servants, as well as four senior trade union officials, representatives from professional associations and a number who serve in a purely private capacity.

What makes this diversity of interest so crucial is that decisions are made, reports adopted, etc., only on a consensus basis. The consensus of the council as a whole must be achieved before advice can be given to the Minister or to Cabinet. This does not mean that reports will be shelved because of the reservations of one member. If a small minority does not agree with the rest of the Council, its views will be noted and put forward along with the report as a whole. However, the consensus approach means that contentious points will need to be argued out during deliberations and the report modified to accommodate conflicting points of view.

To some extent the consensual approach may be circumvented by the existence of an Executive Committee of eight members, which deals most with the Minister. This is particularly so, given that the Executive does not reflect the diversity of the Council as a whole. Five of its members, including the chairman and deputy chairman, are from the private sector, one is retired, and two are public servants.

However, the independence of the Executive Committee from the Council as a whole is limited. Most of the activity of T.I.A.C. (including its executive committee) is involved with the production of advisory reports that require the approval of the council as a whole. Personal communications between the Chairman, Deputy Chairman and the Minister are reported fully to the council. The opinions expressed by the Executive Committee in the pre-budget discussions are adopted on the basis of the findings of a questionnaire sent to all members beforehand.⁶⁶

The areas studied tend to be of a broad national concern. For example, some of the current topics under consideration are: a National Transport Strategy, the Identification of Real Transport Costs, and the Strategic Implications of Transport.⁶⁷ Of course, even with topics as broadly based as these, there is room for sectional interests to intrude and it is the role of the Chairman to guard against this, both when introducing new members to the Council and in debate.

It is difficult to say to what extent the pushing of sectional interests within the transport industry does intrude into the activities of T.I.A.C. The foregoing has indicated that this is certainly not the intention of the council. However it is inevitable that members will be expected to push certain interests, at least by the organizations to which they belong. An example of this was the expectation of members of the road transport industry that the appointment of the president of the L.D.R.T.A. to T.I.A.C. would result in the interests of road transport getting a better hearing. The Executive Director of the L.D.R.T.A., in announcing the appointment said that

"...Mr. Campbell's appointment meant that for the first time the interests of the pure road transport industry would be represented on this important body."⁶⁸

To this Truckin' Life added the editorial comment that it had the "confident hope that Mr. Campbell will use this new position to urge the just claims of owner operators."⁶⁹

It is probable that the above comments reflect an incorrect assessment of the role of T.I.A.C. T.I.A.C. should not be regarded as a lobby group in the same sense as, say, the Australian Council of Manufacturers. T.I.A.C. is a government-created body set up as advisory only. The majority of its members are from private industry, but the consensual approach adopted by the body means that the minority of union officials and 'private' members need to be accommodated in any recommendations put forward.

Conclusion

It is now possible to categorize each of the interest groups in terms of the typology discussed at the beginning of this chapter. It was explained earlier that the very use of the term interest group presupposes that their activities are in defence of their sectional interests and are not designed to change community or government-held attitudes on moral grounds. The membership of the groups concerned is convincing evidence of this. Apart from the occasional private individual, the organizations that compose the A.R.F. all stand to gain from increased road expenditure, particularly as many are government contractors. Local government has a two fold interest: first, greater expenditure on roads by the other levels of government eases its own financial burden; second, local government authorities themselves often act as contractors and so money passed down for work on arterial roads

will ensure that their road plant and workforce will be effectively utilized. The Automobile organizations represent the private motorist who will benefit from better roads. The A.R.T.F. is composed of transportation companies that use roads and so who also have an economic interest in their quality. The same applies to the owner-driver organizations, except that members are usually individuals rather than companies.

The interest groups are more heterogeneous when we look at whether they are exclusively or only partially concerned with lobbying. The A.R.F. is designed solely as a lobby group, or as the A.R.F. would describe it, to bring about a greater awareness of the importance of roads as a national asset. The other groups are only partially concerned with lobbying. The State local government associations are primarily forums for the discussion and the coordination of ways to improve the quality and standing of local government. The A.C.L.G.A. was originally set up as machinery for lobbying the Federal government though it also provides opportunities for the State associations to discuss matters of joint concern and formulate policy on them. The motorist organizations offer a large variety of services to their motorist members, the most important being emergency help when members' cars have broken down. The State organizations devote few of their resources to lobbying, though this role is far more important to the A.A.A. The wide variety of A.A.A. concerns practically all rely on government action, and other activities (such as the issuing of international drivers permits) are sidelines designed to provide revenue. The A.R.T.F. and S.A.R.T.A. have only recently taken to lobbying government and see their main role as representing employer interests in industrial matters. The owner driver groups vary but none can be described as exclusively lobby groups.

Beside representing the owner driver in industrial matters they provide social activities for members. Their publications (where they exist), are designed to be read by members and not government decision-makers. Consequently, tips on saving fuel, discussion of new vehicles, etc. take their place beside news of lobbying campaigns.

All of the interest groups have a perennial concern in their dealings with governments. Road funding is a permanent issue. Once again though, the A.R.F. is alone in being a single issue group. All of the others tackle State or Federal governments on any issue where they feel their members' interests are concerned.

As one would expect from interest, (as opposed to attitude) groups, membership is usually small. The exceptions here are the motorist organizations. However it was pointed out that the bulk of the members of the motorist organizations do so for the services offered and not out of a concern that the interests of the private motorist be represented in government policy discussion. The A.R.F., the A.R.T.F. and the A.G.L.G.A., along with their regional bodies, are all 'organizations of organizations' and so have few members. The owner-drivers have a larger pool of potential members, but even the largest has only about 2,000 members and so could not be described as a 'mass' organization.

Of course membership numbers alone can be misleading as an indicator of whether a group relies on mass interest or not. If paid up members were a guide, there would be very few mass pressure groups in Australia and none exclusively concerned with government policy. What is important in determining tactics is the number of active sympathisers a

group can rely on. Even here though, most of the interest groups find they need to appeal directly to the government and not through the populace. The favoured methods are delegations, limited circulation newsletter, and the holding of seminars designed to highlight the interests of members. Local government has used the large numbers of local authorities to organize petitions. The motorist organizations have also urged the public through newspaper advertisements to protest to their member of parliament and to the government as a whole about the poor state of roads. Generally, however, these more expensive tactics are eschewed in favour of a concentration of individuals regarded as influential. This also applies to the owner-drivers, though in the road blockades they found a very effective means of presenting their problems to the population as a whole.

The declining proportion of total Federal government expenditure that is spent on roads suggests that the success of special interest groups has not been spectacular. The ritual delegations to the Federal minister before the budget, (whether or not the triennial legislation is due for renewal), suggests the futility of the lobbying process on the Federal government. The tying of State funding to road taxes has meant that if the interest groups want the States to spend more on roads, it is the members of the interest groups who will have to pay for it.

This chapter has highlighted the indirect problems imposed upon interest groups because of the federal nature of Australia's system of government. Apart from the more casually organized owner-driver organizations, all of the interest groups have accommodated to the federal system by adopting a federal structure for themselves. Unlike the governments they lobby, however, they must organize concerted campaigns

using this federal structure. The weaker the central body is, the greater, these problems are. The Australian Council of Local Government Associations and the Australian Road Transport Association have in the past needed to be very careful to avoid the withdrawal of a state member from the federation. While not faced with the problem to the same extent, the subordinate position of the Australian Automobile Associations relative to its State members has posed difficulties in the coordination of campaigns. Generally speaking campaigns and resolutions require the cooperation of all or nearly all of the State members. Also, because the target for road funding campaigns has come to be exclusively the Federal government the logical focus of the attack has been thrown onto the A.A.A. As a mere secretariat, with limited resources, the A.A.A. is not well-equipped to carry out this role.

The fact that most of the lobby groups are federations is also inhibiting in that a federation is necessarily democratic, at least in so far as taking the interests of its members into account is concerned. Even when (as in the case of the A.A.A.), the members are relatively homogeneous and are defined on territorial grounds only, differences in opinion and interest will occur. An example within the context of the A.C.L.G.A. was given; the A.A.A. also finds that differences between members can frustrate efforts to present a strong campaign on behalf of motorists.

In his study of Gough Whitlam in politics, Graham Freudenberg made an important comment which is equally applicable to the interest groups concerned with road funding. He wrote:

"It is always attractive for a political leader to dream of creating a lasting 'consensus' within the party or nation. It is an impossible dream, because it denies the inevitability of conflict of interests and ideas. For a Labor leader it is doubly impossible, because a consensus, something on which it may be supposed seventy per cent are agreed, must be essentially conservative."⁷⁰

This comment could be widened to the extent that the consensus approach will tend to inhibit any positive action that is at all specific in its programme. The interests of the owner-drivers are narrow enough to avoid this to some extent, though even here differences in regional interests are one cause of the fragmentation of interest group representation that we have witnessed.

For most of the interest groups, however the need to overcome differences of interest between members has been the major stumbling block. These differences frequently have a regional basis. It may be that these groups would be no more successful in their lobbying efforts if they existed in a unitary system. Nevertheless, this brief study has demonstrated that the burdens the Federal system of government imposes on the interest groups exceed the benefits.

FOOTNOTES

1. Maurice Duverger, Party Politics and Pressure Groups, Nelson, 1972, p. 101.
2. ibid., p. 106.
3. See Trevor Mathews, "Australian Pressure Groups" in Henry Mayer and Helen Nelson (eds.), Australian Politics: A Fifth Reader, Longman, Cheshire, 1980, pp. 447-8, for Australian groups of this type.
4. Francis G. Castles, Pressure groups and political culture: a comparative study, Routledge and Kegan Paul, 1967, p. 1.
5. A point noted by Mathews, op.cit., p. 448.
6. loc.cit., Castles, op.cit., p. 1.
7. Castles, op.cit., p. 2. See also chapter six and seven. the distinction recalls McKenzie's original distinction between sectional groups and promotional groups. See R.T. McKenzie, "Parties, Pressure Groups and the British Political Process", The Political Quarterly, vol. 29, no. 1, Jan.-March 1958, pp. 5-16.
8. National Times, 10 to 16 August, 1980, p. 4.
9. Duverger, op.cit., p. 104. Partly because 'partial' groups only occasionally put pressure on governments, Finer has rejected the term 'pressure groups' in his description of them. At best they are only potential pressure groups. He prefers the term 'lobby', though it would appear that this faces the same problem. See S.E. Finer, Anonymous Empire: A Study of the Lobby in Great Britain (Pall Mall Press, 1966), p. 3.
10. ibid., p. 105.
11. Quoted Mathews, op.cit., p. 458.
12. The list of members is too long to be included here, but a sample might be helpful. The following sample has been chosen by naming every tenth member in the alphabetical list of state members which appears in the A.R.F. (S.A.) Annual Report for 1978; B.P. (Aust.), Coober Pedy Progress and Miners Association, the District Council of Lucindale, Express Freight Pty. Ltd., Sen. B.F. Kilgariff, The News Ltd., Rocla Concrete Pipes Ltd., B.S. Stillwell-Ford Pty. Ltd., and United Motors Ltd. National members are exclusively large organizations, particularly oil, transport and automotive industries companies.
13. Balance Sheet, Australian Road Federation, (S.A.), 1978 Annual Report.
14. Colonel E. Griff, Executive Director, A.R.F., personal communication, 16 November 1979.
15. loc. cit.

16. Personal communication Mr. K. Harrison, Publicity Officer, A.R.F. (S.A.) 15 November 1979.
17. loc. cit.
18. See B.T.E. 1979 Assessment, p. 119.
19. Harrison, op. cit. (It should be noted that this opinion was expressed in the context of experience with a State Labor government. The change of government which occurred in September 1979 may have altered the situation.)
20. Griff, op.cit.
21. The A.R.F. did come close to breaking this rule in an oral submission to the C.B.R. in 1975, when in an indirect way, it almost admitted that the funding for some roads may need to be cut in order to transfer resources to other areas in need:
 "The Australian Road Federation wishes to highlight that fact that "other" rural roads, arterial or not, are needed just as much as National Highways. Therefore, the Federation believes other roads should not be deprived financially simply to fund a particular set of roads no matter what is their national importance."
 (not published, from submissions held by the B.T.E.)
22. In 1978/79, the Commonwealth spent \$584 million on roads. (Source: B.T.E. Assessment table 6.4, p. 114) During that year it collected \$2,021 million from road users in fuel taxes. (Source: Australia, Treasury, Estimates of Receipts and Summary of Estimated Expenditure (Budget Paper no. 4) 1979/80, table no. 5) Note the 5.5 percent deduction from the Treasury figure explained in chapter one, p. f.
23. Note Chapter one, f.49 above.
24. Bureau of Transport Economics, An Assessment of the Australian Road System: 1979 (A.G.P.S., 1979) Part 1, p. 104.
25. loc.cit.
26. In New South Wales and Western Australia, the rural shires have their own State body, separate from the State Local Government Associations.
27. Commonwealth Record, 3-9 April 1978, p. 353. See also Commonwealth Record, 21-27 February 1977, p. 203.
28. Australia, Parliamentary Debates, Senate, vol. 73, 4 May 1977, p. 1138.
29. For example, it is claimed by the current President of the Institute of Municipal Administration (S.A.) that such action by State or national bodies may be necessary to avoid "divide and rule" tactics, particularly by State governments. The State road authority may pressure a poorly placed council into accepting certain conditions, and then use that acceptance to gain leverage

with other councils. (Personal communication, Mr. Keith Davis, 6 March 1980. Mr. Davis is also the District Clerk for the Barossa District Council.)

30. Background Notes on the A.A.A. (not published), 1979
31. Mathews, op.cit., p. 459.
32. Personal communication, Mr. Ian Pearce (Traffic Engineer, R.A.A.), 10 March 1980.
33. See editorial to R.A.A. magazine, Motor, May 1977.
34. Pearce, cited.
35. Personal communication, Mr. Peter Rochfort, Executive Director, A.R.T.F., 22 November 1979.
36. Personal communication, Mr. G. Aldermann (the executive director in question) 12 December 1979.
37. Personal communication, Mr. Rochfort (cited).
38. Report of the Independent Inquiry into Representation for Long Distance Owner-Drivers (Conducted by Sir David Hay for the Commonwealth Minister for Transport, 29 February 1980. Hereafter referred to as the Hay Report) Section 3.3.16.
39. Truckin' Life 3(1) (June 1979), p. 9. The threat was withdrawn when the A.R.T.F. agreed to change its structure - most importantly by hiving off its industrial wing.
40. Personal communication, Rochfort (cited), Hay Report, passim. The A.R.T.F. appears to need to take this stance because otherwise would severely embarrass one of its members, the L.D.R.T.A., 65 percent of whose members are one-vehicle owner drivers. (Hay Report, Section 3.3.9).
41. Hay Report, section 3.3.3.
42. ibid., sections 3.3.10 and 3.3.11.
43. ibid., section 3.8.3.
44. ibid., section 3.8.15.
45. A list of claimed achievements appears in the Hay Report, section 3.3.17. an article on the campaign against the diesel excise appears in Truckin' Life 3(7) (April 1980).
46. Hay Report, section 2.1.4.
47. The formation of the newest of these; the Bulk Hauliers Owner Drivers Association, was reported in the January/February, 1980 edition of Truckin' Life.

48. Hay Report, section 3.4.12.
49. ibid., section 3.4.7.
50. ibid., section 3.5.5.
51. ibid., section 4.2.12.
52. For example, see Truckin' Life, November 1979.
53. Hay Report, section 3.5.5.
54. e.g., Truckin' Life, June 1979, p. 9.
55. Though Peter Rochfort (Executive Direction, A.R.T.F.) disputes the actual success of the blockades, claiming that all they succeeded in doing was to get a public announcement of a decision practically agreed upon through pressure by the L.D.T.R.A. (Personal communication, cited)
56. Adelaide Advertiser, 5 April, 1979, p. 1.
57. Brisbane Courier Mail, 6 April, 1979, p. 2.
58. Australian, Parliamentary Debates, House of Representatives, 5 April, 1979, p. 1556.
59. Australian, 5 April, 1979, p. 3., West Australian, 9 April, 1979, p. 5.
60. Editorial, Sydney Morning Herald, 5 April, 1979, p. 6.
61. West Australian, 6 April 1979, p. 9.
62. Ibid., 10 April, 1979, p. 1.
63. Truckin' Life, 3(1) (May 1979), p. 6.
64. For a discussion of the way such tactics can be used by the federal government, see G.C. Sherman, "The Bargaining Analogy and Federal-State Relations", in R.M. Burns et.al., Political and Administrative Federalism, Centre for Research on Federal Financial Relations (A.N.U.), Research Monograph No. 14, 1976, pp. 12-38.
65. Transport Industries Advisory Council (T.I.A.C.), Functions and Organisation, (not published, available from T.I.A.C. Secretariat, Department of Transport), p. 1.
66. This and other information regarding T.I.A.C. has been gained from conversations with a member of the Council, Mr. A.K. Johnke, and members of its secretariat.
67. T.I.A.C., op.cit.
68. Truckin' Life, December 1979, p. 4.

69. loc.cit.

70. Graham Freudenberg, A Certain Grandeur: Gough Whitlam in Politics
MacMillan, Melbourne, 1977, p. 83.

CHAPTER FIVECOMMONWEALTH ROAD FUNDING

Having discussed the parties in the intergovernmental process, it now remains to examine the grants themselves to see what considerations determine their allocation.

The examination of Commonwealth grants will cover two periods. During the first, (from 1922 to 1969), the distribution of grants was determined by formula. This period will be covered fairly briefly. From 1969 to the present date, the distribution of grants between the States has been handled on a needs basis. Since 1969 the Federal government has also taken a more active role in determining how road funding is spent by creating several categories which must be adhered to by the States. In both these matters the Government has been advised by research bureaux; the Commonwealth Bureau of Roads advised on the 1969, 1974 and 1977 legislation and the Bureau of Transport Economics advised on the 1980 legislation. The legislation in each of these years will be compared with recommendations offered to determine if they can be regarded as based on non-partisan criteria.

Road Funding from 1922-1969¹

Funds earmarked for roads were among the first special-purpose grants given to the States by the Commonwealth. Apart from a grant through the Repatriation Department to employ ex-servicemen on roads, the first road grant was in 1922, when \$500,000 was contained within the Loan Act (no. 7), specifically earmarked for roadworks. The money was designed to alleviate the unemployment problem.²

In the following year special legislation was enacted to deal with road funding. The Main Roads Development Act authorized a grant of \$1 million to be spent in country areas. The grant had the condition of being matched dollar for dollar by the States.³ In the following 46 years roads were funded under ten principal acts, ranging in duration from two years to ten.⁴

All of these Acts used a formula to divide the grant between the States. It was argued in the introductory chapter that while the formula method could be seen as a means of providing a rough justice in allocation, it was also open to distortion for political ends.

The first grant was made on a simple per capita basis. This probably reflects the fact that road funding was not seen as a major area of concern for the Commonwealth and that the grant was principally designed for the relief of unemployment, rather than the development of roads. It took no note of the extra burden that roads imposed on States with a large geographical areas in comparison with their population.

An attempt to rectify the situation was made in the special legislation enacted in the following year. 5% of the grant was earmarked for Tasmania, which at the time contained 1% of the States' area and 4% of their population. The other 95% was divided among the mainland States on the basis that two fifths should be allocated according to area and three fifths according to population. This formula remained in force until 1959.⁵ An effect of the formula was to give Western Australia 19.2% of the grant under the 1923 legislation, whereas under the per capita formula it received 6.1%. N.S.W. on the other hand, was considerably worse off; its share dropping from 38.6% to 27.6%.

The formula survived seven changes of Federal government and numerous changes on State level during the period of its existence. The fact that it did not change to reflect altered political alliances between the Federal government and the various States does much to confirm that it was not used to give States which were political allies advantage over the others.

Tasmania's 5% was much more than it would have been entitled to if its grant had been based on the population/area basis.⁶ Mr. Bruce, when introducing the 1923 legislation to Parliament, claimed that the special consideration given to Tasmania was due to the fact that Tasmania's weather necessitated metalled roads to a greater extent than in the mainland States.⁷ However, it could be argued that its special position was also due to the enhanced political strength it had in the Commonwealth because of its constitutionally enshrined over-representation in the House of Representatives and its relatively strong position in the Senate.

In 1959 the formula was changed in favour of the more populous States. The three:two ratio was changed to one third according to area, one third population and one third according to the number of vehicles registered. The second reading speech explained that this was due to the heavy concentration of industry and consequent growth in commercial and industrial transport in the populous States.⁸ It certainly could not be claimed that it was instituted because it favoured States with the same party as that of the government in Canberra. Of the favoured States, New South Wales and Victoria, the former had a Labor government, while Victoria's government was Liberal. The Federal government at the time was a Liberal/Country Party coalition. Both the disfavoured States

(Western Australia and Queensland) had Liberal and Liberal/Country Party governments.

Given the reluctance to pass additional legislation amending or supplementing the principal legislation,⁹ it is not surprising that the formula should not be used to discriminate between State governments on political grounds. The effect of a formula designed to help ones friends may be completely reversed within a year or two, due to changes of government in the States.

It could be argued however that the formula, especially in later years, was biased too much in favour of the less populous States. Speaking in Parliament in 1979, Labor's spokesman on Transport, Mr. Jones, claimed that the Labor Party had "always" regarded the formula used from 1959 to 1969 as "unfair and inequitable".¹⁰ Certainly the less populous States would have received a far smaller proportion of road grants in the C.B.R.'s 1969 recommendations than they did under the 1964 C.B.R. Act. The C.B.R. recommended that the share of Western Australia, Tasmania and South Australia be cut from the 34.4% they received under the formula to 20.3%. The Bureau felt that the 18.3% that Queensland received under the formula was justified given the weather and soil conditions of that State.¹¹

A discussion of why the less populous States received such a disproportionate amount of road funds given their needs threatens to open a Pandora's box. B.E. Austen has produced a monograph comparing the voting pattern of the States in national elections since the war which may provide some clues.¹² However, apart from the non-conformity of Western Australian in voting patterns¹³ there is little to suggest why

the smaller States should be better treated. Possible reasons may be the increased relative power these States have in the Senate and the practice of their State governments to make political capital out of an anti-Canberra stance.

Another constant feature of Commonwealth roads legislation before 1969 was its insistence that a proportion of the money go to rural roads. The first time that money was to be earmarked for local rural roads was in the 1947 legislation, which was formulated by the Chifley Labor government. The Commonwealth Aid Road and Works Act, 1947, provided that one sixth of the \$24,000,000 granted should be spent on the construction of secondary roads in rural areas. The measure was supported by the Opposition.¹⁴ When the Liberal/Country Party government was required to replace the expired 1947 legislation it increased the amount allocated to rural areas to 35% of the total grant.¹⁵ The percentage was increased yet again to 40% in the 1954 legislation, and remained at that level until 1969.

Although the amount earmarked for rural roads was first introduced by the Labor government, (which was then less city-based than it is now), it could be claimed that the increased amounts provided for under the Liberal/Country coalition reflected that government's interest base. It is significant that although the formula was changed in 1959 because of extra road use caused by industrialization in the more populous States, the proportion going to rural roads underwent no similar change. The Federal government came under increasing criticism for its insistence on 40% of its funds being spent on rural local roads. For example, in an article entitled "The Astonishing Logic of the Commonwealth's City-Country Roads Stance", the Australian Financial Review castigated

the Country Party minister, Mr. Sinclair, for ignoring arguments for devoting a greater proportion of road funds to city roads.¹⁶

Mention could also be made of a further direction of Commonwealth money to rural roads in the form of the beef road legislation. Money designated for roads to help the cattle industry was first granted by the Chifley Labor government in 1949, under the States Grants (Encouragement of Meat Production) Act, 1949-54. This granted \$4.2 million. The only States to receive grants under the legislation were Western Australia (under a Liberal and Country Party coalition) and Queensland, (which was ruled by a Labor Government).

The Menzies government did not renew beef roads legislation until 1961, when it granted \$10 million over the following five years to Queensland under the Queensland Grant (Beef Cattle Roads) Act 1961. Requests by Queensland for extra funds to seal the roads in question (instead of upgrading them as had previously been requested)¹⁷ resulted in the Queensland Beef Cattle Roads Agreement Act, 1962. This retained the original \$10 million grant and added a further \$6.6 million as a loan repayable from 1967.

Western Australia also received money for beef roads at this time. Under the Western Australia Grant (Beef Cattle Roads) Act 1961, \$1 million was granted for the year 1961-62. The Western Australia (Beef Cattle Roads) Act 1962 granted a total of \$5.8 million for the following four years.

Both Queensland and Western Australia received further grants (the former \$4.5 million and the latter \$1.5) under 1966 interim legislation

designed to provide a continuity of funding until the States' Grants (Beef Cattle Roads) Act 1968 was passed.¹⁸ This later legislation funded beef roads in Queensland, South Australia and Western Australia until 1974. Queensland took the lion's share of the grant; \$39.5 million. Western Australia received \$9.5 million and South Australia \$1 million.

The reason claimed by both the Chifley and Menzies governments for the special funding of beef cattle roads was to encourage the beef export industry.¹⁹ In this, obvious sectional interests were served (that is, those involved in beef production and selling). It is noteworthy, however that the first legislation specifically for beef roads was passed by a Labor government, which would not be expected to have the interests of cattle producers close to their hearts, and that the Labor opposition in the 1960's supported the beef roads legislation.²⁰

From this account of Commonwealth road funding from 1923 to 1969, one can conclude that the Commonwealth policy was influenced by political considerations, but not specifically party interests. The formula's bias toward the less populous States was determined by political factors, though once again it should be noted that which party was in power in these States was irrelevant. The enthusiasm with which the Liberal/Country coalition embraced Labor's earmarking of funds for non-arterial rural roads arouses suspicion, especially as the proportion of the total grant was 2.4 times that provided by Labor, right up to 1969, when the case for rural as against city development would have been much weaker than in the post-war years.

Road Funding, 1969 to the Present

From 1969 onwards Commonwealth governments have had the benefit of being advised by a professional research body in the distribution of road funds. With the qualifications made in chapter 3, this chapter will assume that the advice given has embodied the non-political considerations for which the bureaux were set up. Therefore any deviations of the legislation from the recommendations made by the bureaux should be looked at carefully to see whether they have been determined by political factors. The rest of this chapter will compare the recommendations made by the Bureaux in their 1969, 1973, 1975 and 1979 reports with the respective legislation passed in 1969, 1974, 1977 and 1980.

Several factors in particular will be looked at: the division of the total grant between categories, the division between the States and the quotas required. To some extent it can be expected that the division between the States will be dependent on the division between categories. For example if it were decided that a large proportion should go to rural roads, States which have a high proportion of rural roads can be expected to benefit. For two reasons, however, the "State" and "category" dimensions have more independence from each other than may be expected. First, grants have been recommended by the bureaux on the basis of road need as determined by deficiencies highlighted by the Australian Road Survey. A State may have a high proportion of rural roads but not receive a high grant for those roads because they are in good condition. Secondly, the political decision-makers have the ability to determine what each State will get for each category. They may decide for example that although they are to give a high proportion of the grant to rural roads, a particular State with a high proportion of rural roads will not

benefit as much as one with a low proportion. For these reasons, the category split-up and the State split-up need to be examined as two independent dimensions.

Commonwealth Aid Roads Act, 1969

The first legislation upon which the C.B.R. could advise was the Commonwealth Aid Roads Act of 1969. This advice was contained in the C.B.R.'s Report on Commonwealth Financial Assistance to the States for Roads, 1969. After an examination of Australia's road needs the C.B.R. recommended a hefty 70.1% increase in the total amount funded over the previous quinquennium. The legislation responded with a sizeable 67% increase. Obviously the magnitude of the task as seen by the C.B.R. was accepted by the government.

The report recommended grants of \$1280 m. for the following quinquennium. The legislation fell short of this by almost \$28 m. The principle legislation provided for \$1200 to be distributed amongst the States. A further \$52 m. was provided in supplementary grants to soften the change for those States that did relatively well out of the old formula - Western Australia, South Australia, and Tasmania. The amount provided was 67% more than that provided in the previous quinquennium. The Opposition pointed out, however, that with a projected rate of increased fuel revenue to the Commonwealth at the same rate as had occurred from 1959/60 to 1968/69, the Commonwealth would still have \$314 m. after road funding for the quinquennium was deducted.²¹

The fact that the shortfall of \$28 m. was due to perceived short-term budgetary constraints is demonstrated by a comparison of the Bureau's recommendations with the legislated amounts in each year of the following quinquennium (see table 5.1).

TABLE 5.1ROAD GRANTS 1969/70 TO 1973/74

\$ m.

	(a)	(b)	(a) as a %
	C.A.R. Act	C.B.R. recommendation	of (b)
1969/70	180	196	91.8
1970/71	205	226	90.6
1971/72	235	256	91.7
1972/73	270	286	94.4
1973/74	310	316	98.1
Total	1200	1280	93.75

Source: derived from Commonwealth Aid Roads Act, 1969, schedules and C.B.R. 1969 Report, Recommendation 1(e).

It can be seen that it was intended that the shortfall would be narrowed later in the quinquennium when it was hoped budgetary constraints would not be so strong.

Given that governments rarely spend as much money as they are recommended to by specialist advisory bodies, the fact that the legislation provided almost 94% of the amount recommended is unusual for being so high. The specialist body is not well placed to assess what proportion of community resources should be devoted to the subject of its concern as opposed to the competing needs of other sectors. This needs an overall view that is perhaps best left to the politician. However, it should be on its home ground when recommending how the amount allocated should be spent.

The C.B.R. departed from previous legislative practice by recommending that the grant be divided into several categories. These were: Principal Rural roads, Other Rural roads, Urban Roads, Planning and Research, and a fifth category, "Expenditure of new construction, reconstruction, maintenance, administration and works and services related to roads", which was in effect non-categorized.

The 1969 Act did not give the States the flexibility that the uncategorized grant was designed to introduce (see table 2). Given that no uncategorized amount was provided, it may be expected that the existing categories would share the extra 18.8% in accordance with the proportions advised by the Bureau. However the government chose not to do this, and distributed the excess amongst Urban Arterial and non-principal rural roads only. The extra proportion (22%) was greater than the Bureau advised should be uncategorized. Consequently the Principal Rural roads category was cut from 20% to 15.6%.

TABLE 5.2

DIVISION OF GRANT BETWEEN CATEGORY;
1969 C.B.R. REPORT AND C.A.R. ACT, 1969

	%	
	1969 Report	C.A.R. Act
Principal Rural	20	15.6
Urban Arterial	40	50.1
Other Rural	20	32.9
Planning and Research	1.2	1.5
Uncategorized	<u>18.8</u>	<u>0</u>
	100.0	100.1

Sources: 1969 Report, S.4.25

C.A.R. Act 1969, first schedule

Minor rural roads received more than was recommended, due to the coalition government's continued commitment to local authorities in rural areas. The extra funding for urban arterial roads had the support of both of the major parties. The money here was designed to help the construction of urban freeways. Freeways at that time had wide popular support and freeway programs were endorsed by both the Labor and Liberal parties. Two examples from speeches in the second reading of the C.A.R. bill will demonstrate this. The first quotes Mr. Lee, a Liberal M.H.R.:

"We must build freeways. We must also build dual highway systems. We cannot fiddle with the job any longer.....We can no longer afford to have traffic jammed at intersections. We cannot afford to have roads which are narrow and contribute to accident rates."²²

The second quotes a Labor M.H.R., Mr. Duthie:

"We are not going to decry the urban classification. I think it is an excellent idea....We should get some excellent freeways from this scheme and probably many accident spots will be wiped out as money is spent around our cities making roads better for motorists and the cities easier of access and easier to get out of."²³

The Opposition spokesman on transport was one of several other Labor figures to support freeways.²⁴

Generally, changes from the amounts in each category recommended by the C.B.R. were supported by both sides of the House in debates, and so could not be called party political. Spokesmen for both the Labor and coalition parties felt that the C.B.R. had been too harsh on the rural councils. If the State road authorities were going to suffer in the amounts lost to them for principal rural roads, at least they would be recompensed by the increased Urban Arterial grant.

The other major area where the legislation diverted from the Bureau's recommendations concerned the division of the total grant between the States. When introducing the Bill, the Treasurer (Mr.

McMahon), claimed that if the Bureau's recommendations had been adopted, it

"would have meant too radical a change in distribution. In particular, the effect on the existing road construction programmes of the outlying States would have been too abrupt and too drastic."²⁵

In fact, (as Mr. McMahon pointed out)²⁶, Western Australia would have received nearly 20% more than it did in the previous funding period and South Australia about 40% more. Given the low level of inflation at the time (about 2 - 2¹/₂%) it could reasonably be presumed that increasing these States' amount by more than the C.B.R. recommended would have an even more "abrupt" and "drastic" effect, and that if continuity was required the government should give less to these States than was recommended.

No member of parliament challenged the Treasurer's reasoning, nor the supplementary grants to Western Australia, South Australia and Tasmania that were then announced. The only references to the split up between the States occurred when representatives from the peripheral States complained of their treatment by the C.B.R.* (It is curious, but consistent with the traditional pattern, that no representative from Victoria or New South Wales complained of their treatment, let alone criticized the government's generosity to the less populous States.)

* One Western Australian M.H.R. used figures that could only be described as imaginary to describe how the C.B.R. wanted the grant split up and then went on to criticize the bureau's methods of analysis, by claiming that as well as considering the number of vehicles and miles being travelled in the States, it also should have considered the amount of freight carried by the vehicles. (Australian Parliamentary Debates, (House of Representatives) vol. 62, p. 162, 20 May 1969) The speaker appeared to have reason to believe that Western Australian vehicles weighed more than those of the eastern States.

To remedy the perceived difficulties regarding the less populous States, the C.A.R. Act provided for the total amount granted to be divided into principal grants of \$1200 m. and supplementary grants, given to Western Australia, South Australia and Tasmania, of \$52.05 m. (Western Australia received the bulk of the supplementary grants; \$40.8 m.). It would be reasonable to assume that the division between the States of the principal grants would follow the proportions specified in the C.B.R.'s report and this is more or less the case.

TABLE 5.3

DIVISION OF GRANT BETWEEN STATES;
C.B.R. 1969 REPORT AND C.A.R. 1969 ACT

		%	
	C.B.R.	Principal	Principal Grant
	Report	Grant	+ supplementary grant
New South Wales	31.7	31.7	30.4
Victoria	21.4	21.2	20.3
Queensland	18.3	19.3	18.5
South Australia	10.7	10.0	10.3
Western Australia	13.7	13.3	16.0
Tasmania	<u>4.3</u>	<u>4.5</u>	<u>4.5</u>
Total	<u>100.1</u>	<u>100.0</u>	<u>100.0</u>

Sources: C.A.R. Act, Schedules 1 and 6. C.B.R. Report S.4.44.

It can be seen that without the supplementary grants, both South Australia and Western Australia would have received a lower proportion of the total grant than the C.B.R. recommended. Even with the supplementary

grant, only Western Australia did substantially better from the C.A.R. Act.

The division between the 'principal' grants and the 'supplementary' grants was probably designed to give the impression that while the government accepted the basis of the C.B.R.'s division, it felt the need for a transitional period to wean the less populous States away from the formula system. As it turned out, only Western Australia seemed to come out particularly well as a result of government tinkering. South Australia, a State the Treasurer claimed was to benefit from the change, was marginally worse off.

Differences between the Bureau's report and the legislation also appeared on the question of quotas to be paid by the States. The Federal government required a higher matching figure than the Bureau felt necessary. Under the scheme recommended by the C.B.R., the quota would be determined by multiplying the number of vehicles registered each year in the State by a base amount. This amount would be set at \$36 in the first year of the quinquennium and would rise by \$1 each year so that the quota in the final year would be 40 times the number of vehicles registered on the 31 December 1972.²⁷ (The dollar a year increase was based on an assumed $2\frac{1}{2}\%$ per annum rise in road construction and maintenance costs.) According to C.B.R. estimates of future numbers of registered vehicles, this would mean that the States would have to find \$73.60 for every \$100 they received from the Commonwealth. (See Table 5.4) The Bureau felt that each State should be treated differently in the amount it had to pay to receive the grant.

TABLE 5.4

RECOMMENDED QUOTAS, C.B.R., 1969

	Commonwealth Grant \$m	Required Quota \$m	Quota as percentage of grant
New South Wales	401.8	337	83.8
Victoria	272.3	259	95.1
Queensland	233.3	134	57.4
South Australia	136.8	95	69.4
Western Australia	179.1	86	48.0
<u>Tasmania</u>	<u>56.9</u>	<u>31</u>	<u>54.5</u>
<u>TOTAL</u>	<u>1,280</u>	<u>942</u>	<u>73.6</u>

Source: 1969 Report, S. 5.19

The Federal government disregarded the recommended scheme and produced another which resulted in the requirement that the States pay \$83.61 for every \$100 they received. This scheme was "explained" in S. 8(1) of the C.A.R. Act:

In this section, "the quota", in relation to a State in respect of a year, means an amount that bears to the base amount applicable to the State in accordance with the Seventh Schedule the same proportion as the number of motor vehicles that were on register in the State on the thirty-first day of December in the year immediately preceding that year bears to the number of motor vehicles that were on register in the State on the thirty first day of December, one thousand nine hundred and sixty six.

That is, the quota, for each year would be determined by multiplying the base amount specified for the State by the percentage of vehicles registered compared with the number registered at the end of 1966. For example, the quota for 1970/71 would be:

the amount specified in schedule 7 x $\frac{\text{vehicles registered, 31/12/69}}{\text{vehicles registered, 31/12/66}}$

The quota that each State had to pay varied much more widely than the amounts recommended by the bureau, as table 5.5 demonstrates:

TABLE 5.5
STATE QUOTA UNDER C.A.R. ACT 1969

State	Commonwealth Grant \$m	Required Quota \$m	Quota as percentage of grant
New South Wales	380.4	398.6	104.8
Victoria	254.4	294.1	115.6
Queensland	231.6	164.6	71.1
South Australia	129.0	77.3	59.9
Western Australia	200.4	75.6	37.7
<u>Tasmania</u>	<u>56.25</u>	<u>36.6</u>	<u>65.1</u>
<u>TOTAL</u>	<u>1,252.05</u>	<u>1,046.8</u>	<u>83.6</u>

Sources: C.A.R. Act, schedules 1, 6 and 7
Commonwealth Year Books

Both South Australia and Western Australia paid less than the C.B.R. recommended. All the others paid more, with New South Wales and Victoria having to find more from their own sources than the Commonwealth was willing to give.

On more minor matters, the legislation generally followed the Bureau's advice. For example, the Report suggested that money for planning and research should go only to approved projects and that these be matched by the States on a dollar for dollar basis.²⁸ Both these recommendations found favour with the centralizing mood of the Federal government at the time. In sum though, the government treated the Bureau's advice in a remarkably cavalier fashion, particularly when one considers that it was the first opportunity for the government to benefit

from the advice of a professional body specifically set up for the task.

The 1974 Legislation

The series of Acts passed in 1974 to cover road funding for the next three years was probably the most innovative legislation covering Commonwealth road grants since legislation for such grants was first introduced. Yet despite the radical nature of the legislation it can be seen that it was merely following the C.B.R.'s advice contained in Report on Roads in Australia - 1973.

A few of the variations between the report and the legislation are obvious. For example the C.B.R. recommended that all grants be embodied in a single act, to be entitled the Australian Road Grants Act,²⁹ whereas the Labor government granted road funds under three acts; the National Roads Act, the States Grants (Roads) Act and the Transport (Planning and Research) Act. Despite the C.B.R.'s recommendation that the funding period remain at five years,³⁰ the 1974 legislation provided for the following three years only.

The Labor government did at least pay lip service to the recommendation that grants be made in a single act. Beef roads, which had previously been funded under separate legislation, were now served by the State Grants (Roads) Act. The C.B.R. envisaged that funds for planning and research for roads would be distinguished from planning and research for transport as a whole. However, the Labor government's policy at the time stressed the eventual integration of the administration of the various transport modes, and it was toward this goal that the combining of all planning and research grants for transport was aimed. This put planning and research grants in a special position,

because unlike the rest of the road grants, they had to be shared by the State road authorities with State government departments concerned with public transport. This was why planning and research funds were provided under separate legislation. It could be argued that the complexity of the provisions for the newly-created category of National Roads required that funds directed to these roads needed separate legislation. However, as the government felt it was convenient for National Roads Bill to be debated in parliament at the same time as the other two bills, such an argument is not strong.

In explaining the shift to a triennial funding period, the Minister for Transport (Mr. Jones), indicated that such a move would be temporary. He told parliament that a shorter period was necessary because the government hoped to integrate transport funding between the modes and that legislation to that end would be introduced within eighteen months.³¹ (The demise of the Labor government meant that such legislation never eventuated.)

Overall amounts granted were considerably less than had been recommended by the Bureau. It was recommended that \$2607m. should be spent over five years; \$1345m. of this being spent in the first three. The government responded with a grant of only \$1,126m. over three years. The explanation of the shortfall pointed to the importance of other priorities, particularly health, welfare and education, as well as the amounts being spent by the government on public transport and the purchase of South Australia's country railways.³² Comparisons made in the second reading speech, however, made it clear that the Bureau's recommended amount was used as a yard stick.³³

The most interesting differences between the 1973 report and the 1974 legislation emerge when one looks at the amounts allotted to each of the many categories provided for under both. (See table 5.6)

TABLE 5.6
DIVISION OF GRANT BETWEEN CATEGORY;
C.B.R. 1973 REPORT, & 1974 ROADS LEGISLATION

Category	1973 Report	1974 legislation
	%	%
National Roads+	19.7	35.5
Urban Arterial	35.0	31.5
Rural Arterial, Developmental++	18.4	11.5
Urban Local	1.4	2.7
Rural Local	14.8	13.9
MITERS*	2.8	2.7
Road Maintenance	5.6	-
Planning and Research	1.5	2.3
Supplementary	.8	-
Equalization	<u>.2</u>	<u>-</u>
	100.2	100.1

Sources: Report on Roads in Australia, 1973, table 15.14

Road Grants Act 1974, Schedules 2 to 7

National Roads Act 1974, Schedules 1, 2 and 3

+ includes Export Roads and Major Commercial Roads

++ includes the legislation's separate allocation to beef roads

* Minor improvement traffic engineering and road safety

The most important variation concerns National Roads. Despite the Bureau's recommendation that they be only 80% Federally-funded, the Labor government's enthusiasm for the concept of national roads being the

responsibility of the national government led it to take full responsibility. This was one reason why 35.8% of the grant went to National Roads, 15.8% above the proportion recommended by the C.B.R. In cash terms, the Bureau felt that \$205.6 million should be spent on National Roads in the following three years;³⁴ the government responded with \$321.9 million.

It is interesting to see how the other categories were adjusted to make room for the increased chunk taken by National Roads. The rural sector suffered the most; its Rural Arterial and Developmental roads category was cut from 18.4% to 11.5% (\$237.1 million³⁵ to \$105 million), while the amount going to Rural Local roads was cut from 14.8% to 13.9% (\$199.7 million³⁶ to \$156 million). Urban roads were not so badly affected; Urban Arterials dropped from 35% to 31.5% (\$460.7 million³⁷ to \$355 million) while the proportion going to Urban Local roads was almost doubled from 1.4% to 2.7% (\$19 million³⁸ to \$30 million).

With the exception of Planning and Research, the minor categories suffered during government consideration of the Bureau's recommendations. The Bureau felt that as decisions on maintenance on all but National Roads could only realistically be decided at the State or local level, \$72.81 million should have been provided to the States for any maintenance projects they saw fit, with an extra \$8.09 million going toward the maintenance of National Roads.³⁹ The Labor government was not willing to give such flexibility to the States, and excluded such a category. The government also did not see that a supplementary grant of \$15 million was necessary for Western Australia, nor a \$3 million equalization grant for Tasmania.⁴⁰

Despite not receiving special grants, Western Australia and Tasmania still did better from the government than the Bureau recommended. So also did South Australia. The favouring of the smaller states transcends party lines, as a comparison of tables 5.3 and 5.7 demonstrates.

TABLE 5.7
DIVISION OF GRANT BETWEEN STATES;
C.B.R. 1973 REPORT, AND 1974 ROADS LEGISLATION

	1973 Report	1974 Legislation
	%	%
N.S.W.	32.2	31.5
Victoria	21.8	20.7
Queensland	21.0	20.5
South Australia	8.6	8.9
Western Australia	11.6	13.6
Tasmania	<u>4.8</u>	<u>4.9</u>
	100.0	100.0

Sources: derived from 1973 Report, Table 15.3, Transport (Planning and Research) Act 1974, Schedule 1, National Roads Act (1974), Schedule 1, and Road Grants Act (1974), Schedule 1.

However the comparison with Table 5.3 does show that the 1974 legislation favoured the more populous States slightly more than that of 1969. Victoria, New South Wales and Queensland received 69.2% of the 1969 grant and 72.5% in 1974.

Despite the C.B.R.'s belief that the States should have contributed 20% of the cost of National Roads, its recommendation for matching quotas

were still less than the Labor government was willing to allow. The C.B.R. felt that the States should be required to find from their own sources 81% of the amount paid by the Federal government;⁴¹ the legislation required 88.8%

TABLE 5.8
QUOTAS PROVIDED FOR IN
C.B.R. 1973 REPORT AND 1974 LEGISLATION

	1973 Report	1974 Legislation
	%	%
New South Wales	95.7	107.6
Victoria	106.6	122.1
Queensland	50.4	56.1
South Australia	81.6	85.75
Western Australia	61.1	57.7
Tasmania	48.5	54.0
TOTAL	81.0	88.8

Sources: derived from C.B.R. 1973 Report, tables 15.3 and 15.15, Road Grants Act 1974, Schedule 8, Transport (Planning and Research) Act 1974, Schedule 1 (s.7 of the Transport (Planning and Research) Act provided that the States pay for one third of approved projects) and National Roads Act 1974, Schedules 1, 2 and 3.

A comparison of the quotas required here provides similarities with a comparison of the quotas required in the 1969 report and the corresponding legislation. On both occasions the government required higher quotas from New South Wales, Victoria, Queensland and Tasmania than the Bureau was prepared to recommend. Once again the government specified a lower quota for the Western Australian government. Only South Australia was treated differently. In 1969 the government was more

lenient with the State than the Bureau. In 1974 it was more strict. (On both occasions, the same party was in power both in Canberra and South Australia.) The higher quotas provided for by both Bureau and government in 1974 reflect in part the changing fiscal balance between the Commonwealth and the States that occurred in the period from Gorton to Whitlam.

Under the 1974 legislation, National, Rural Arterial and Urban Arterial roads projects required Commonwealth approval and explicit guidelines were laid down for the expenditure of MITERS money. In the case of Urban Local and Rural Local Roads, State governments were given a choice of submitting either a program of projects for approval, or simply a list of allocations made to each local authority. Planning and research projects required approval.

The government also differ from the Bureau was in its decision as to who would examine the projects for approval. The Bureau generally felt that it should do the job. The government, however, set up a separate division in the then Department of Transport (the Roads Division), to handle the approval process.

Another contentious provision of the Roads Grants Act was that the Commonwealth Minister could nominate any Rural Arterial roads as 'Developmental' roads and specify that up to 6% of the Rural Arterial allocation be spent on these roads. This was in accordance with the Bureau's Report.⁴⁵ (In fact no developmental roads were declared.)

The roads declared as National Roads under the National Roads Act were exactly those specified by the Bureau. However, the Bureau was

slightly more cautious in suggesting that a number of sections of these roads should be subject to further investigation before a designation was made.⁴⁶

The 1977 Legislation

The comparison between the advice contained in the 1975 Report and the 1977 Legislation is of special interest. This is because although it was a Labor government for whom the advice was tendered, it was a Liberal/Country Party government which was to frame the consequent legislation. (In order to comply with the Labor government's desire to bring down early legislation integrating funding for the various modes, the C.B.R. hurried its research and presented its report in December 1975. Labor lost office in November 1975.) By the time the 1977 legislation was enacted, the Commonwealth Bureau of Roads had already been absorbed by the Bureau of Transport Economics. It was perhaps not surprising, then, that its 1975 Report was largely ignored in the formulation of that legislation.

The coalition government combined funding for National Roads with funding for other roads under a single piece of legislation, the States Grants (Roads) Act 1977. Although the Bureau did not specify how many acts should cover road funding in 1975,⁴⁷ one would assume from the 1973 Report that this change met its approval. Planning and research funding was continued under separate legislation. The Bureau recommended a triennial legislative period, from 1977/78 to 1979/80 (para. 13.37) and the government obliged. The Bureau however felt that the legislation should have been introduced in early 1976; the government was either unwilling or unable to do so until the second half of 1977. Also, the government did not follow the Bureau's belief that the States should be

advised of the likely grant in 1980/81.

The coalition government obviously considered the magnitude of the recommended grants far too high, even though they themselves were only 75% of the "warranted and feasible" amount. The C.B.R. thought that total grants (including planning and research) for the triennium should be:

1977/78	\$590.8 million
1978/79	\$664 million
1979/80	\$737.3 million

Furthermore, these amounts were expressed as constant prices, which the Bureau expected to be indexed.⁴⁸ The government responded with only \$475 million per annum (indexed), plus \$47.5 million over the three years for planning and research. It should be noted, however that the magnitude of the grants may have been lower than otherwise because of the Federal government's "new federalism" policy, which shifted the emphasis away from specific purpose grants to general purpose grants in the form of income tax sharing. In reality the State road authorities would receive no benefit from the increase general purpose grants, as they do not receive money from the States' consolidated revenue. The effect on local government, which received 1.52 percent of personal income tax under the new arrangement, could have been substantial, though it is obvious that income tax sharing did not make up for the fall in specific purpose grants. In 1976-77, for example, total Australian grants to local government dropped by 29% over the previous year.⁴⁹

As noted, the Bureau felt that provision ought to be made to ensure that the real level of funding be maintained⁵⁰ and estimated future funding levels using a road price index it had constructed. However,

when the government decided to index later grants, it chose to ignore the Bureau's road index in favour of the implicit price deflator for private investment in (other) buildings and construction. This index appears in the Australian Bureau of Statistics National Accounts.

Of course the choice of index to be used will significantly affect total funding in a period of high inflation, and the Opposition spokesman on transport (Mr. Morris), made much of the government's rejection of the road price index. He claimed that because of the importance of labour and bituminous products in road building, the road price index had risen at "a much faster rate" than the implicit price deflator from 1973 to 1976. In fact, this was not the case. From June 1973 to June 1976, the road price index rose by an annual average of 15.5%.⁵¹ Because the Bureau of Statistics annual index is an average of the index in the four quarters of the financial years, figures are not directly comparable. However, from 1972-73 to 1975-76, the implicit price deflator rose by an average of 19%.⁵² From the beginning of the decade until June, 1976, the road construction price index rose by an average of 10.5%, the implicit price deflator rose by an average 14.3%.⁵³ Clearly, the road price index was not rejected because historical trends indicated it was rising too quickly.

Once again the distribution of the grant between categories provided illuminating differences between the legislation and the Bureau's recommendations.

TABLE 5.9

DIVISION OF GRANT BETWEEN CATEGORY, C.B.R. 1975REPORT AND 1977 ROADS LEGISLATION

	1975 Report	1977 Legislation
	%	%
National Roads and National		
Commerce Roads	38.1	40.3
Rural Arterial	10.2	14.8
Rural Local	17.1	18.6
Urban Arterial	26.8	16.6
Urban Local	2.4	5.3
MITERS	3.7	2.8
Planning and Research	<u>1.8</u>	<u>1.7</u>
	100.0	100.1

Sources: Derived from 1975 Report, tables 13.24, 13.21, 13.22, 13.23, 13.16, 13.17, 13.18, 13.19, 13.20, plus schedules from Transport Planning and Research (Financial Assistance) Act 1977 and State Grants (Roads) Act 1977.

The major loser in the translation from recommendation to legislation was the Urban Arterial category, the proportion for which was cut by over one third. The Rural Arterial roads picked up almost half of this, but National Roads, National Commerce roads, Rural Local roads and Urban Local roads also gained. In fact the government decided to double the proportion going to Urban Local roads. The minor categories, MITERS and Planning and Research, were pinched slightly to provide proportional increases for the other categories.

The split between the States followed the previous pattern, with a further interesting difference between the populous states.

TABLE 5.10

DIVISION OF GRANT BETWEEN STATES,
C.B.R. 1975 REPORT, 1977 LEGISLATION

	1975 Report	1977 Legislation
	%	%
New South Wales	35.0	32.5
Victoria	19.8	20.9
Queensland	21.4	21.0
South Australia	8.0	8.5
Western Australia	11.6	12.6
Tasmania	<u>4.2</u>	<u>4.5</u>
	100.0	100.0

Source: 1975 Report, table 13.12. Derived from Schedules of Transport Planning and Research (Financial Assistance) Act 1977 and State Grants (Roads) Act 1977.

In 1977 it was New South Wales and to a much lesser extent, Queensland which had to suffer for the less populous States. Victoria's grant was actually increased 1.1% - more even than Western Australia. A closer look at Victoria's share of each category reveals interesting results.

TABLE 5.11

VICTORIA'S SHARE OF ROAD GRANT, BY CATEGORY,C.B.R. 1975 REPORT AND 1977 LEGISLATION

	1975 Report	1977 Legislation
	%	%
National Roads and National		
Commerce Roads	17.9	17.6
Urban Arterial	30.5	27.6
Urban Local	31.9	34.7
Rural Arterial	7.4	15.5
Rural Local	10.9	21.2
MITERS	22.3	25.9
Planning and Research	24.2	26.7

Sources: see sources for table 5.9

It is obvious that Victoria's share of the total grant is not evenly reflected in each of the categories. In two, National Roads and Urban Arterial Roads, Victoria's share actually dropped in the translation into legislation. The spectacular increases occur in the Rural Arterial and Rural Local roads, which, when combined, more than doubled their share. In his second reading speech the Minister of Transport, Mr. Nixon (a Country Party member for Gippsland, Victoria) did not explain any departures from the Bureau's recommendations. Neither did the Prime Minister, Mr. Fraser (a Liberal member for the Victorian rural seat of Wannon). In fact the Federal government received public criticism from State leaders over the way funds were skewed. The N.S.W. Premier, Mr. Wran, claimed that he was

"at a loss to understand...why the bureau's recommendation have been virtually ignored in relation to the allocation of funds between rural and urban roads."⁵⁴

In this Mr. Wran was supported by the Labor premier of South Australia (Mr. Dunstan), and even the Liberal premier of Victoria (Mr. Hamer).⁵⁵

Mention was made by an Opposition speaker, Mr. Jones, that in the MITERs category, Victoria received more funds than the much larger (in terms of population, road mileage and area), New South Wales. Explanations of political expediency were hinted at.⁵⁶ The Bureau recommended that the ratio for MITERs funds between New South Wales and Victoria be 4:3.⁵⁷ The ratio in the legislation was 19:20.⁵⁸

Table 5.12 shows that the Commonwealth government expected the Victorian government to contribute substantially towards its road funding.

TABLE 5.12
STATE CONTRIBUTION AS A PERCENTAGE OF COMMONWEALTH GRANT
C.B.R. 1975 REPORT AND 1977 LEGISLATION

	1975 Report	1977 Legislation
	%	%
New South Wales	87.0	95.1
Victoria	106.8	123.4
Queensland	51.0	58.1
South Australia	86.7	91.5
Western Australia	62.5	65.9
Tasmania	<u>58.9</u>	<u>56.6</u>
Total	79.1	87.5

Sources: Derived from 1975 Report, tables 13.19 and 13.26. Transport Planning and Research (Financial Assistance) Act 1977, Schedule 1. States Grants (Roads) Act 1977, Schedules 1, 5, 11

Once again the percentage of the Commonwealth grant which had to be matched by the States was higher than the Bureau recommended (although because of the low Commonwealth grant actual amounts were less than the Bureau felt were proper.) Even Western Australia had to pay a higher percentage than the Bureau felt was necessary. Only the Tasmanian government escaped with a lighter quota.

The clauses of the legislation designed to keep a check on the States could generally claim the Bureau's endorsement. The Bureau recommended that federal funds for all roads except Rural Local roads should need Commonwealth approval. The legislation required Commonwealth ministerial approval for all categories. Two innovations in this area were also provided for under the legislation. One allowed for the setting up of joint Federal-State bodies to carry out planning and advise the State government on road matters. The second required the States to provide information to the Federal Minister concerning individual projects that the Minister should request. Vague endorsement of these can be seen in the Report paragraph 9.22, which mentioned the desired implementation of "cooperative planning" and in paragraph 12.18 which recommended that:

"Conditions are included in legislation to ensure the Australian Government's policies are achieved, intentions are known and responsibilities are fulfilled, and to ensure that the receiving Government undertakes its task in an efficient and accountable manner."

The 1980 Legislation

The terms of reference given to the B.T.E. when it was directed to undertake the 1979 Assessment did not require that any recommendations be made on Commonwealth funding. Instead it was to report on "the effects of alternative levels of total future road funding from all sources".⁵⁸ Given the circumstances discussed in chapter three, this

is not surprising.

The B.T.E. introduced its report by claiming its role as being different from that of the C.B.R. and pointed to its lack of a statutory basis when explaining its failure to make recommendations.⁵⁹ Instead of making recommendations it produced a warranted program and discussed the implications of funding to 100%, 95%, 90%, 85% and 80% of this program. Furthermore, the B.T.E. did not attempt to apportion responsibility for funding levels to any particular level of government. The warranted program had the aggregated expenditure of all three levels in mind.

All of this of course limits a comparison between the Bureau's recommendations and actual provisions. Consequently the 1980 legislation will not be dealt with as fully as has the previous legislation.

The amount claimed as warranted by the B.T.E. was lower than one would expect, given the history of C.B.R. calculations. The B.T.E. explained this as due to variations in methodology and "data deficiencies".⁶⁰ In contrast with the C.B.R., whose warranted program was so high that it felt obliged to recommend a "scaled down" figure, the B.T.E.'s warranted amount involved an increase in real spending of 16.1% per annum.⁶¹ It then invited the decision-makers to opt for some lesser percentage of this amount, down to 80%. The government obliged by opting for 80%. The increase over the previous year was 11.1%, which maintained the government's commitment in real terms.⁶² In doing so, the government could claim to have been acting within the guidelines provided by the B.T.E. However, it can also be seen that the government was merely continuing its previous policy of maintaining the real level

of grants, and all that had changed was the advice of the advisory bureaux. In comparison with the C.B.R., the scale of the B.T.E.'s "recommendations" were more in line with government policy.

The Bureau's assessment of road needs were projected to the financial year 1982/83. It no doubt assumed at least a triennial funding period, and certainly did not discuss the merits of a shortened funding period. Nevertheless, the Road Grants Act 1980 covered 1980/81 only. In pointing this out, the Minister told Parliament that the government did not intend to deviate from the normal triennial pattern, that funding levels for 1981/82 and 1982/83 would be decided upon at the June, 1980 Premier's Conference and that amending legislation to incorporate these decisions would be passed on as soon as possible.⁶³ The Minister (Mr. Hunt), has given no explanation of why the Road Grants Act 1980 covered one year only. The legislation was introduced only months after he was transferred from the Health portfolio, and perhaps uncertainty was a motivating factor. Also, there is evidence that the minister had been fighting in cabinet for increased funds in real terms⁶⁴ and that by delaying the timing of the announcement until a date closer to the Federal election, (which was due to be held in late 1980), the chances of the success would be increased.

Because the B.T.E. produced no warranted program for the Federal government alone, certain assumptions need to be made when comparing the amounts recommended for each category and the amounts legislated. It is assumed that the Federal government will provide the same proportion of total funds to each category as it had in the recent past. One must then apply these proportions to the warranted program produced by the B.T.E. A comparison of the split up between this "discounted" program and the

split up in the legislation can then be made.

TABLE 5.13

DIVISION OF GRANT BETWEEN CATEGORY: B.T.E. ASSESSMENT

AND ROAD GRANTS ACT 1980

	Warranted Division*	Legislated Division
	%	%
National Roads	29.6	44.2
Rural Arterial	28.1	17.5
Urban Arterial	34.6	14.7
Local Roads+	<u>7.7</u>	<u>23.6</u>
	100.0	100.0

* excludes maintenance

+ The B.T.E. continued the previous division of Rural Local and Urban Local roads. The legislation aggregated these categories.

Sources: The proportion provided by the Commonwealth in each category over the previous five years can be derived from table 10 of Annex 3, B.T.E., Assessment, pp. 318-321. The warranted program appears as table 5.15 of the Assessment (p. 92). The legislated division is derived from Schedules 1 to 4 of the Road Grants Act 1980.

Assuming the validity of the methodology used, it can be seen that the legislated amounts devoted to each category bear little relation to the warranted program. It can generally be said that the government gave priority to National Roads and Local Roads at the expense of the arterial roads. In other words, the States were expected to bear a greater burden of the cost of the roads which were their prime responsibility. Furthermore, it is the Urban Arterial roads which suffered greatest from the government's disregard of the Bureau's warranted program. Their

allocation dropped 19.9 percentage points in the legislation; rural roads dropped only 10.6 percentage points.

The B.T.E. commented that a relative reduction in Rural Local road funding when compared with 'recent funding patterns' would be economically efficient. However it went on to recognize that such considerations were not the sole inputs into government decision-making:

"It is, of course, unlikely that economic efficiency considerations based largely on traffic flows are the major determinant of decision leading to investment in local or access roads. Therefore it may be considered that the economic analysis employed in this study is an inappropriate or inadequate means of measuring the merit of future local road expenditure levels."⁶⁵

The government's trebling of the allocation to local roads, as well as the comment contained in the second reading speech that it expected the State Governments to maintain the 1977 legislation's ratio between rural and urban local roads, would suggest that it agreed on this point.⁶⁶

In keeping with its terms of reference, the B.T.E. made no recommendations on the number of different categories into which the grant should be split, and one can presume that in distinguishing Rural and Urban Local roads it was merely conforming with past practice. Therefore the fact that the Government chose to amalgamate these two categories should not be seen as a rejection of the B.T.E.'s position.

The government's decision to split the grant up between the States by simply maintaining the same proportions as in the 1977 legislation strengthens the belief that it took little notice of the B.T.E.'s determination of need. In fact, when introducing the 1980 bill into the Senate, the government spokeswoman stated that the

"...proposed allocation of funds among the road categories in each State reflects the Commonwealth's priorities as well as road needs."⁶⁷

By having the Bureau devise a warranted program based on the efforts of all levels of government, the government enabled itself to depart significantly from the criterion of need without having to face embarrassing criticism based on a comparison of its legislation with Bureau advice. The foregoing has demonstrated how difficult such a comparison is. However, it can be safely concluded that the 1980 legislation continued the government's policy of skewing funding toward national roads and local roads, and against urban roads, particularly Urban Arterial roads.

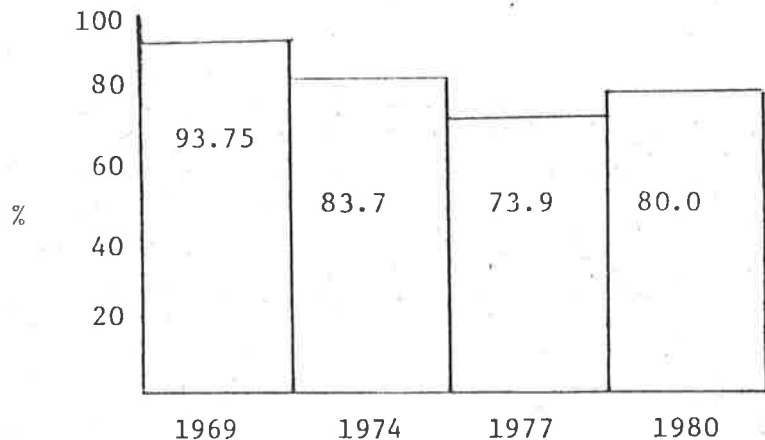
Summary: 1969 to 1980

The following graphs and table give an historical comparison of road grant legislation with bureau advice.

FIGURE 5.14

ROAD GRANTS AS A PERCENTAGE OF AMOUNTS RECOMMENDED:

1969-1980*

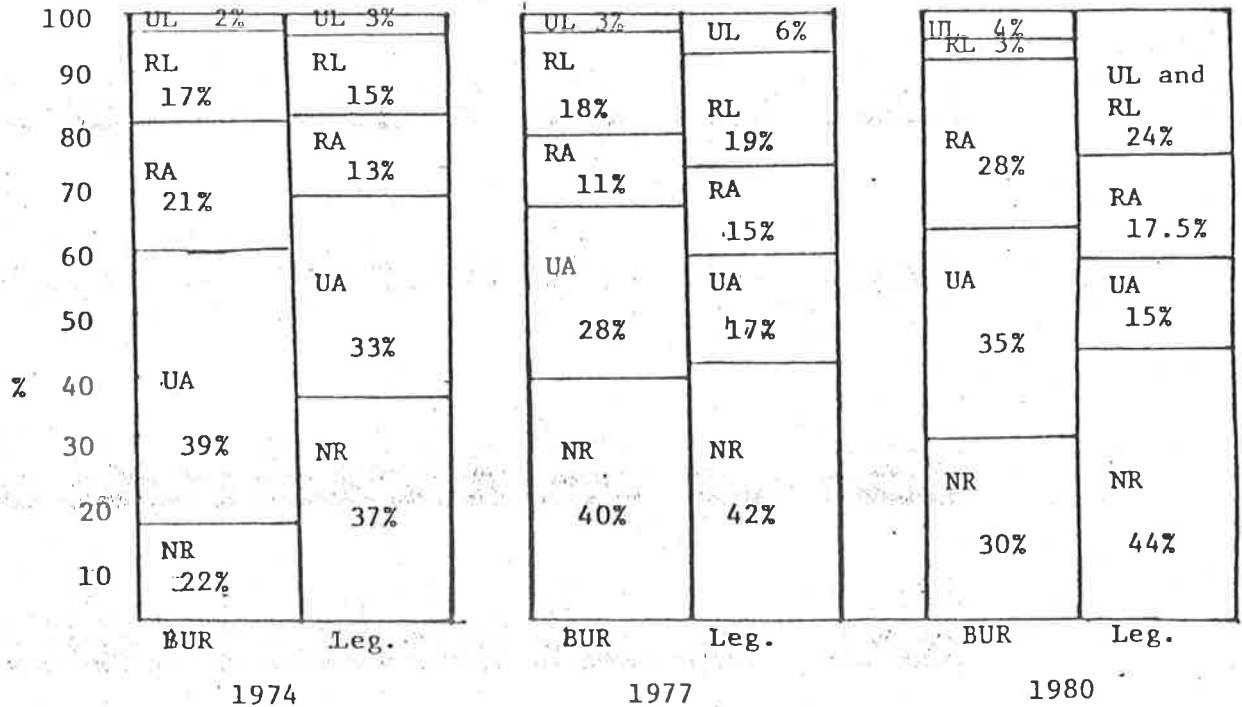


* The 1980 figure is the proportion of the amount regarded as warranted by the B.T.E.

Unfortunately it has only been possible to compare all four periods in the case of overall amounts granted. Here we find that grants as a proportion of the amount recommended slipped steadily during the C.B.R.'s existence. The increase to 80% in 1980 reflects a lowering of the amount warranted by the B.T.E. rather than an increased funding effort.

FIGURE 5.15

GRANTS AND RECOMMENDATIONS BY CATEGORY: 1974-1980



The comparison of the way in which grants have been divided between categories is made difficult because in no two grant periods were the same categories used. Consequently it has been necessary to concentrate on the four major categories only and to exclude the 1969 legislation and report.

The only consistent pattern here is that the governments have always favoured National Roads more than has the professional advice. The Liberal/Country party government, particularly in 1980, spent far more on local roads than appears warranted. In all three cases (but not in 1969), Urban Arterials received less than warranted. In all three years but 1977 Rural Arterials received a lesser proportion of the grant than the Bureaux felt was justified.

Given the geographical cleavage of political support for the Labor party on the one hand and the Liberal and Country parties on the other,

it may be more instructive to give particular attention to the way in which grants were divided between rural and urban areas.

In 1974 the Labor Minister for Transport, Mr. Jones, replied to criticism that his legislation favoured urban roads at the expense of rural roads by producing figures which claimed the 1974 legislation favoured rural roads by a ratio of 61:39. The following table was incorporated into Hansard:⁶⁸

	1969 Act	CBR 1973 <u>Report</u>	1974 Legislation
Rural	47%	59%	61%
Urban	53%	41%	39%

One half of Mr. Jones' 'rural' allocation consisted of the entire amount granted to National Roads. It is of course fatuous to claim that simply because the roads were physically in rural areas that they benefitted exclusively the rural sector. Just how one should apportion the benefits of roads is often problematic. In this case the C.B.R. used a rough and ready measure; 40 percent of the traffic using the proposed National Roads was of an inter-city nature, therefore 40 percent of the benefits accrued to the urban sector.⁶⁹ Using this reasoning, the Labor government's generosity to the rural sector pales somewhat. Instead of a 61:39 rural/urban split, the figures are 47.4:52.6.

Assuming 40 percent of the benefits of National Roads are allocated to the urban sector, table 5.16 gives the rural urban split throughout the period being studied.

TABLE 5.16

RURAL/URBAN SPLIT, 1969 to 1980*

	1969 Report	1969 Legis.	1973 Report	1974 Legis.	1975 Report	1977 Legis.	1979 Report*	1980 Legis.*
Rural	50	49.2	50.2	47.4	52.9	60.15	44.8	54.3
Urban	50	50.8	49.8	52.6	47.1	39.85	55.1	45.7

* Arterial only

** excludes supplementary grants, equalization grants, uncategorized, planning and research, MITERS, MITORS and road maintenance.

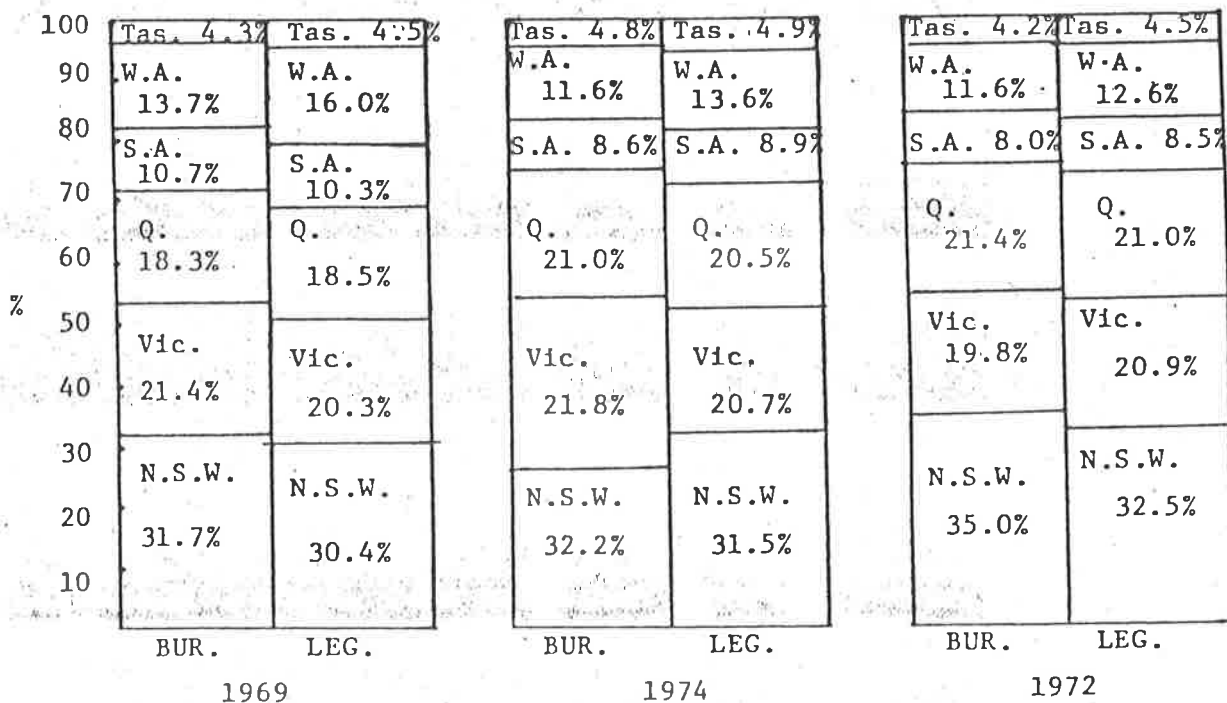
Sources: See sources for tables 5.2, 5.6, 5.9, 5.13.

One can see that from this table that only the 1969 coalition government followed the respective recommendations. It in fact allocated slightly more to the urban sector than the C.B.R. recommended. Significant factors here though are the strong criticisms of the Federal government's previous bias toward the rural sector, and the enthusiasm for urban freeways, (the entire urban grant being earmarked for arterial roads).

One can see also that the 1977 legislation produced a massive shift in funds away from the cities and into the countryside. The Country Party minister, Mr. Nixon, whilst not denying this, claimed that such a policy was necessary to redress the imbalance caused by the 1974 legislation.⁷⁰ However, the imbalance in the 1974 legislation compared with the 1973 Report was certainly not as great as that of the 1977 legislation compared with the 1975 Report. It did not justify such a vigorous redressing of the balance.

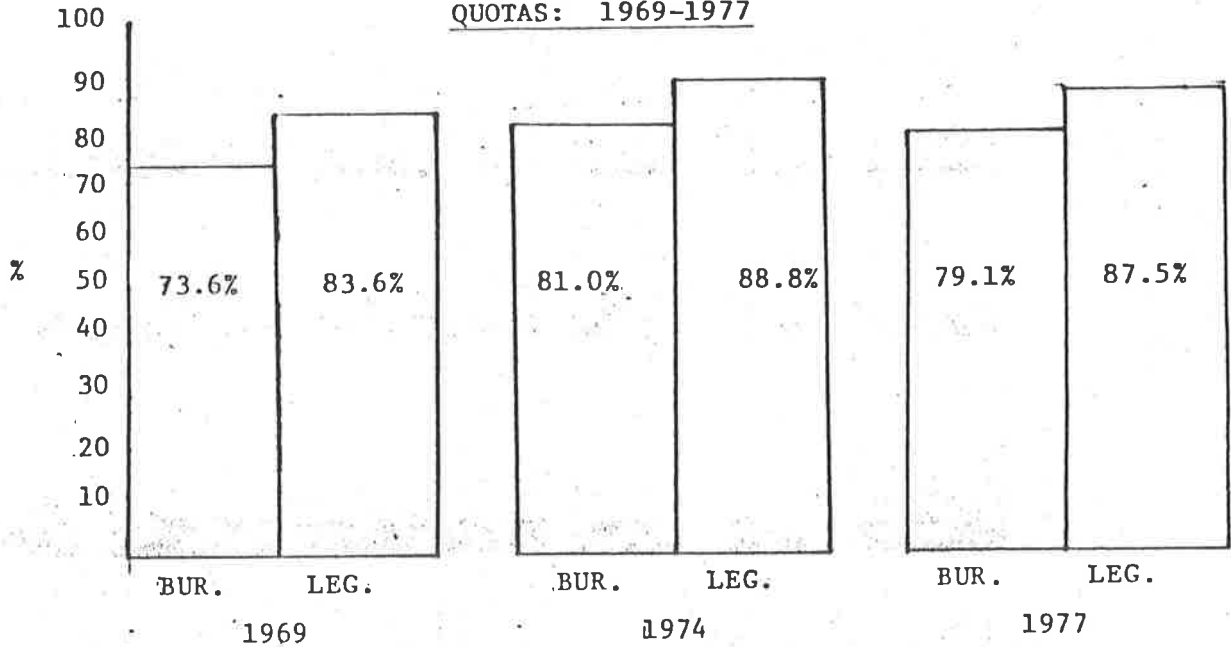
FIGURE 5.17

GRANTS AND RECOMMENDATIONS BY STATE: 1969-1977



The split up of the grant between the States roughly followed the advice of the Bureau, which was based on road needs, and it is difficult to claim that the decisions made by the governments reflected party political considerations. The pattern of favouring the smaller States was followed by both the Labor and coalition governments. But apart from the case of Victoria in 1977, there have been no cases where there is a strong suspicion of the Commonwealth government favouring a State government of the same political persuasion.

FIGURE 5.18
QUOTAS: 1969-1977



The two most consistent features of this study have been the reluctance of the Federal government to spend as much as the Bureaux felt warranted and the demand by the Federal government that the States spend more than the C.B.R. felt justified. The conservative way in which the C.B.R. calculated State and local levels of expenditure has been mentioned and perhaps the government demand for higher quotas is not surprising. In specifying quotas the Federal government has been most harsh on the more populous States. On one occasion each, Tasmania and South Australia received a lighter quota than the C.B.R. recommended. Western Australia received a lighter quota on two of the three occasions.

Conclusion

"Despite claims by successive Commonwealth Governments as to the development of a rational roads assistance program based on the results of S.C.B.A. [social cost benefit analysis], the divergences between the recommendations of the Commonwealth Bureau of Roads and the provisions of the Legislation must cast strong doubts on the economic and social merit of federal roads assistance, and possibly the need for such extensive studies by the B.O.R."⁷¹

This was the verdict of two commentators after their study of Commonwealth road funding as contained in the 1969 and 1974 legislation. While their criticism of the 1974 legislation for its divergence from the C.B.R.'s advice may be considered too harsh, this is probably because our judgement has the benefit of hindsight. The divergences of 1974 can be compared with those of 1977 and 1980.

What constitutes a 'significant' departure from professional advice is to some extent a matter for subjective judgement. A different interpretation of the figures presented may give the reader the impression that the Bureaux' advice was generally followed by the government. Certainly in 1969 the government showed that it took the C.B.R. seriously by accepting the conceptual basis of its advice. However it could be argued that given the commitment of the government in setting up and maintaining the Bureau, its credibility could tolerate little else. It is clear that the government showed less heed in 1974 and even less in 1977, when the C.B.R. itself was amalgamated with the B.T.E. Because of the way they were presented, the B.T.E.'s findings in 1979 are very difficult to compare with the 1980 legislation. Perhaps it was because of this difficulty that the government felt it was able to show such scant regard for the advice offered. The split up of funds between States and between categories in particular made little use of the Bureau's advice.

It is clear that the Labor party pandered to its urban support by skewing road funds to the cities. It is equally clear that the Country Party ministers have skewed funds to favour their rural constituents. The other noticeable pattern is the concern of the coalition government to see that local roads are well looked after. This needs to be seen in

terms of its 'New Federalism' with its promise to support local government.

The question of whether the long term nature of grants would tend to disfavour political influences was discussed in the introduction. The evidence from the period in which the formula was in use supports the view that long term grants have this effect. Throughout its existence, the formula was never amended by an incoming government to change the terms on which the grant was distributed. However the period of high inflation in 1975 and 1976 provided the new coalition government with the opportunity to change the terms of the 1974 legislation and this opportunity was taken.

It was recognized on both sides of the House that amending legislation to allow for inflation was necessary. In October 1975 the Labor government introduced a bill to increase the grant by \$64 million. Due to the dissolution of parliament in the following month, the bill was not passed. The additional amount was to be divided between the States on the same basis as that provided by the 1974 legislation. The eventual amendment act kept to this division, but, it differed on the division of the grant between categories.

Perhaps it should not be expected that the division between categories be the same as that of the 1974 legislation. When introducing the 1975 amendment bill, the Labor Transport Minister mentioned that he had intended to do this but discussions with State Ministers had caused him to alter the division slightly. The reasons put forward included delays in planning and construction of some project and the desire to generate as much employment as possible, which made some categories more

attractive than others.⁷² As is demonstrated in table 5.15, however, the proposed changes were minor when compared with those enacted in 1976.

TABLE 5.15

DIVISION OF GRANT BETWEEN CATEGORY; 1974 LEGISLATION,
1975 ROADS ACT AMENDMENT BILL AND 1976 ROADS ACTS AMENDMENT ACT

	1974 leg.	1975 leg.	1976 leg.
	%	%	%
National Roads+	35.5	35.9	23.4
Rural Arterial, developmental++	11.5	12.4	20.7
Rural Local	13.9	14.5	24.3
Urban Arterial	31.5	29.9	29.0
Urban Local	2.7	6.25	2.0
MITERS	2.7	1.0	0.7
Planning & Research	<u>2.3</u>	<u>-</u>	<u>-</u>
	100.1	99.95	100.1

+ Includes Export Roads and Major Commercial Roads

++ Includes Beef Roads

Sources: table 5.6, schedules of Road Acts Amendment Bill, 1975 and Roads Act Amendment Act, 1976

The obvious beneficiaries of the changes were rural roads. The proportion of the grant allocated to rural roads almost doubled, from 25.4% to 45%. Such changes led to changes of pork barrelling from the Opposition,⁷³ against which the Government did not bother to defend itself.

It can be seen then, that succeeding governments have favoured their supporters when dividing road grants between categories. The

recommendations of the professional bureaux have provided little hindrance to this endeavour. In fact casual examination of the figures given, particularly tables 5.6 and 5.9, would suggest that the C.B.R. took its lead from the previous government response to earlier advice. Most categories which were given less in the 1974 legislation than had been recommended were also given less in the 1975 Report. However, to sustain the claim that the C.B.R. followed the government rather than vice versa, one would need to take into account several possibly mitigating factors for example, differential traffic growths, compensating spending by other levels, and for the 1975 Report there would have been little time for Federal government grants to effect the data base upon which needs were estimated.

There are three possible reasons for the greater respect with which the bureaux' split up between the States were accorded. First, the long term nature of the funding period means that the donor government can never be sure what government it will be favouring. An intervening election may result in the favouring of a government of an opposite political persuasion. Second, to manipulate the grant between States runs the risk of antagonizing the unfavoured States, which would have the resources to publicize any misdirection. Third, the Federal government may not be greatly troubled to help States governed by the same party.

A possibly more fertile approach may have been to look at the position of major projects at the time of a change in government at either the State or Federal level. Commonwealth road funding in South Australia provides two recent examples; the extra funds granted to South Australia in 1973 to seal the Eyre Highway and the present funding of the Stuart Highway.

Both of these highways have been subject to a great deal of controversy. It will be recalled that the South Australian government was reluctant to seal a 300 kilometre section of the Eyre Highway to the Western Australian border because it claimed it was not economically justified for South Australia. A change in government in Canberra, resulting in Labor governments at both the Federal and State governments, soon saw the necessary grant being made.

Throughout the first nine months of 1979, the Federal Government's position on the Stuart Highway was that it would provide the necessary funds to complete its sealing within 10 years.⁷⁴ In September 1979 a Liberal government was voted into office in South Australia, and shortly afterward it was announced that the Stuart Highway would be sealed within five years.⁷⁵ A member of a delegation of South Australia businessmen which visited Canberra immediately after the election asked the Prime Minister if South Australia could expect more favourable treatment now that it had a Liberal government. The Prime Minister's answer was "Yes".⁷⁶

It has been shown, however, that while such promises may be kept in the case of major projects in which government initiatives will be most noticed and appreciated, the record on road funding as a whole for recent years would seem to indicate that the favouring of States for political reasons is more apparent than real. It is in the area of road categories that political influences become salient.

FOOTNOTES

1. The best history of Commonwealth road funding during this period is probably R.H. Burke's History of Commonwealth Legislation Relating to Roads and Road Transport 1900-1972, Bureau of Transport Economics Occasional Paper no. 8 (Australian Government Publishing Service, Canberra, 1977). A good deal of the following draws on this source.
2. Ibid., p. 2.
3. loc. cit.
4. Funding was provided under the following legislation:
 Main Roads Development Act, 1923 (covering 1923/24)
 Main Roads Development Act, 1924-25 (covering 1924/25 to 1925/26)
 Federal Aid Roads Act, 1926 (covering 1926/27 to 1930/31)
 Federal Aid Roads Act, 1931-36 (covering 1931/32 to 1936/37)
 Federal Aid Roads Act and Works Act 1937 (covering 1937/38 to 1946/47)
 Commonwealth Aid Roads and Works Act 1947-1949 (covering 1947/48 to 1949/50)
 Commonwealth Aid Roads Act, 1950 (covering 1950/51 to 1953/54)
 Commonwealth Aid Roads Act, 1954/56 (1954/55 to 1958/59)
 Commonwealth Aid Roads (Special Assistance) Act 1957 (1957/58 to 1958/59)
 Commonwealth Aid Roads Act 1959 (1959/60 to 1963/64)
 Commonwealth Aid Roads Act 1964 (1964/65 to 1968/69)
5. Burke, op.cit., p. 3.
6. In 1923 Tasmania would have received 2.8% of the total grant, in 1959 it would have received 2.5%.
7. Commonwealth of Australia, Parliamentary Debates (CAPD) (House of Representatives), vol. 103, p. 312 (22 June, 1923).
8. CAPD (House of Representatives), vol. 23, p. 1625 (28 April, 1959).
9. Amending legislation was passed only four times during the period that formulae were used, and never to alter the formula.
10. CAPD (House of Representatives), vol. 63, p. 1954 (20 May, 1969).
11. 1969 Report, S.S.4.2 and 4.27.
12. B.E. Austen, "Uniformity and Variation in Australian Electoral Behaviour: State Voting Patterns in House of Representatives Elections 1946/1975", University of Tasmania, Department of Political Science, Occasional Monograph No. 1, Hobart 1977.
13. Ibid., p. 76.
14. CAPD (House of Representatives), vol. 192, p. 2482 (15 May, 1947).
15. Burke, op. cit., p. 708.

16. Australian Financial Review, 6 March 1968, p. 2.
17. CAPD (House of Representatives) vol. 37, p. 2891 (4 December, 1962)
18. Burke, op.cit., p. 15.
19. Ibid., p. 14. CAPD (House of Representatives) vol. 37, p. 2890 (4 December, 1948)
20. CAPD (House of Representatives), vol. 33, p. 2354 (24 October, 1961), vol. p. 2146 (6 June, 1968).
21. APD (House of Representatives), vol. 63, p. 1956 (20 May, 1969).
22. CAPD (House of Representatives), vol. 63, p. 1976 (20 May, 1969).
23. Ibid., p. 1986.
24. Ibid., pp. 1954 ff. and pp. 1965-6.
25. Ibid (House of Representatives), p. 1781 (14 May, 1969).
26. Ibid., p. 1782.
27. C.B.R., Report 1969, s.5.21.
28. Ibid., s.6.11.
29. 1973 Report, s. 12.10.
30. Ibid., s. 15.11.
31. Australia, Parliamentary Debates, (APD) (House of Representatives); Vol. 89, p. 379 (18 July, 1974).
32. Ibid., p. 380
33. loc.cit.
34. 1973 Report, op.cit., table 15.5.
35. Ibid., table 15.7.
36. Ibid., table 15.9.
37. Ibid., table 15.6. The cut here perhaps also reflects Labor's suspicion of urban freeways.
38. Ibid., table 15.8.
39. Ibid., S. 15.62.
40. Ibid., S. 15.28, 15.29, 15.30. The C.B.R. justified the grant to Western Australia using the same reasoning as the Liberal government in 1969 - the money was needed as a transitional measure. Tasmania's grant was thought to be justified by its low level of income per capita.

41. Derived from 1973 Report, tables 15.3 and 15.15.
42. Road Grants Bill (1974), S. 4.
43. 1973 Report, ss.12.18-12.34.
44. Ibid, s12.22.
45. Ibid, s.12.28.
46. Ibid, s.7.9.
47. Although it did suggest that planning and research remain under separate legislation. See 1975 Report, para. 12.3.
48. 1975 Report, table 11.14. Figures expressed in the table were in 1973/74 prices. These have been updated by the author to September 1977 prices. Table 13.15 gives the recommended grant in current prices. The recommended total grant for all of the States was

1977/78	\$704.5 million
1978/79	\$870.2 million
1979/80	\$1073.9 million.
49. John Robbins, "Local Government and the New Federalism" in Dean Jaensch (ed.), The Politics of "New Federalism" (Australian Political Science Association, 1977), table 2.
50. 1975 Report, s. 13.41.
51. APD (House of Representatives), Vol. 106, p. 1405 (21 September, 1977)
52. Derived from R.H. Burke, A Road Construction Price Index, Bureau of Transport Economics, Occasional Paper No. 27, A.G.P.S., Canberra, 1978, table 5.1.
53. Australian Bureau of Statistics, Australian National Accounts 1976-77, A.B.S., Canberra, 1978, Cat. no. 5204.0, p. 113. The equivalent rise in the consumer price index was 14.5%. (Derived from A.B.S. Consumer Price Index: September quarter 1976 (ref. 9.1) A.B.S. Canberra, 1976, table 1.)
54. Sydney Morning Herald, 7 June 1977, p. 11.
55. loc.cit.
56. APD (House of Representatives), Vol. 106, p. 1417 (21 September, 1979).
57. 1975 Report, table 13.23.
58. B.T.E. Assessment..., p. 2.
59. Ibid., p. 9.
60. Ibid., p. 10.

61. Ibid., p. 227.
62. Commonwealth Record, 26 May to 1 June 1980, p. 764.
63. APD House of Representatives Weekly Hansard, no. 10, 1980, p. 2846 (15 May 1980).
64. See his speech to an Australian Automobile Association symposium, Commonwealth Record, 10-16 March, 1980, pp. 342-344.
65. B.T.E. Assessment..., p. 165.
66. APD (House of Representatives) Weekly Hansard No. 10, 1980, p. 2847 (15 May, 1980).
67. APD (Senate) Weekly Hansard no. 11, 1980, p. 2656 (22 May, 1980).
68. APD House of Representatives, Vol. 89, p. 385 (18 July, 1974).
69. C.B.R. 1973 Report (para. 7.22)
70. APD (House of Representatives), Vol. 106, p. 1182 (September 1977). In fact even this imbalance was questioned by the Victorian premier at the April 1977 Premier's Conference. See speech by Senator Coleman, APD (Senate) Vol. 74, p. 966 (22 September, 1977).
71. J.D. Maclean and J.M. Hickman, "A more critical look at some of the assumptions used in allocating Commonwealth Government assistance for road transport investment", Australian Transport Research Forum, Adelaide, 1976, pp. 16-17.
72. APD (House of Representatives), vol. 97, p. 2660 (30 October, 1975).
73. Ibid., vol. 98, pp. 1524 and 1528 (8 April, 1976).
74. Advertiser, 25 September 1979, p. 3.
75. Commonwealth Record, 5-11 November 1979, pp. 1698-1699.
76. Personal communication, Mr. Harrison, (Public relations officer for the Australian Road Federation, S.A. region), 15 November 1979.

CHAPTER SIX

ROAD GRANTS TO SOUTH AUSTRALIAN

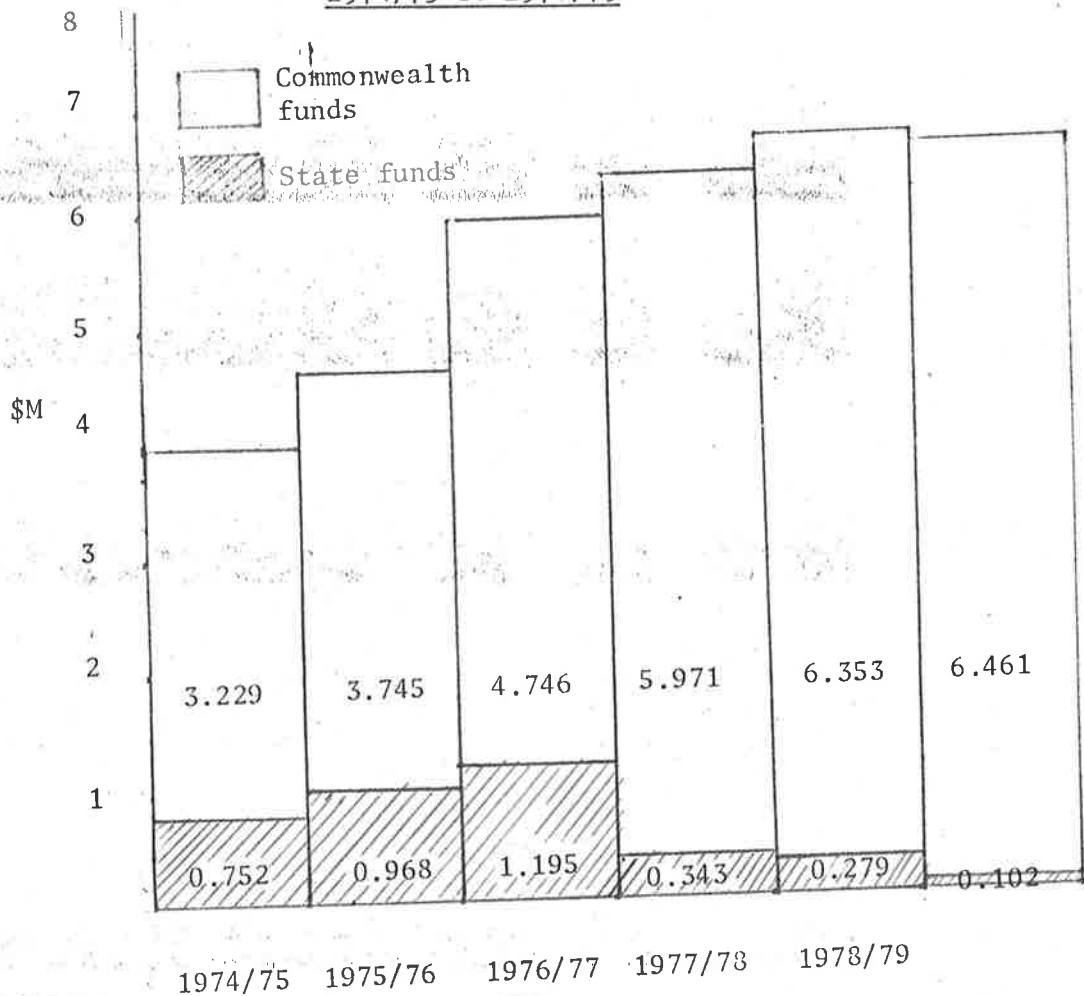
LOCAL AUTHORITIES

The States occupy a pivotal position in the road grants process. As well as distributing Commonwealth grants to local authorities, the States also provide grants from their own revenue. In recent years the high levels of Federal funding for local roads have caused the States to lower the levels of grants from their own sources. Figure 6.1 demonstrates what has happened in the last five years.

FIGURE 6.1

ROAD GRANTS TO SOUTH AUSTRALIAN LOCAL AUTHORITIES

1974/75 TO 1978/79



Source: Highways Department, Annual Report 1978/79, Appendices A, B and C.

Although the proportion is rising, these grants still form only a minor part of the total works program. In the past five years over 90% of projects funded from the combined revenue available to the Commissioner have been carried out by the Highways Department or its contractors.¹

The road grant process formally begins each February, when the Highways Department invites local authorities to submit programs for which grants are sought.² The programs, which include details of the work involved, the estimated cost of each project and the council's ordering of priorities, are sent to the relevant Regional Engineer by mid-March. They are then forwarded to the Department's head office with the Regional Engineer's recommendations. A recommended program for the State as a whole is then prepared and forwarded to the Minister for his approval. Efforts are made to ensure that the process is completed in time for the local authorities to be informed of any grant before the financial year commences.

Generally the Regional Engineer accepts the ordering of priority by councils and complaints by councils about the misdirection of funds are not common. Occasionally the Department will insist that a project high on the list receive lower priority, perhaps because it believes that the council's ordering was determined by the political strength of a particular councillor, and not economic need. Local government sources will be more likely to put the reordering down to bureaucratic ignorance.³

However a far more common source of local government complaint is the way in which the grants process makes little allowance for forward

planning. Grants are decided on a year by year basis and although the Regional Engineer may give some indication of the likely level of future grants, councils can never rely on these funds with certainty. Local government officials claim that the Highways Department makes little effort to provide for consistency in the grants it makes to individual councils.⁴ Consequently fluctuations are far more common than if grant levels were determined by formula. Figure 6.2 demonstrates fluctuations, apparent even when seventeen councils have been aggregated. For individual councils, fluctuations are much greater, and appear to be a legitimate cause of concern, particularly regarding staffing and equipment problems. Figure 6.2 also lends credence to suspicion that the Highways Department adjusts its grant according to amounts received by councils from other grants. Although road grants fluctuate, the total proportion of council revenue from grants is remarkably stable.

A further complaint involves the categorization of roads. The Federal government's enthusiasm for local as against arterial roads has caused a reluctance in the Highways Department to reclassify local roads which have become arterial.⁵ The Woodville council, which was cited as one council facing high maintenance for local roads carrying through traffic, has named East Avenue (Allenby Gardens), Valetta Road (Kidman Park) and Hartley Road (Flinders Park), as examples.⁶ A senior Highways Department official has defended the Department by claiming that such roads have become arterial in nature precisely because they are classified as Urban Local. The extra funding available to such roads encourages road traffic away from the poorly-funded Urban Arterials.⁷

The Highways Department has also been accused of not adequately passing on Commonwealth grants for local roads. The State government is

responsible for many roads that are classified under the Commonwealth legislation as 'Local', particularly in rural areas. Conversely local government is commonly responsible for roads classified 'Arterial'. The Highways Department passes on to local government only a fraction of the Commonwealth grant for Rural Local roads, (in 1978/79, 49% and 1979/80, 36%).⁸ A similar situation in Victoria led to the Commonwealth Minister delaying payment to that State until he was satisfied that councils were adequately catered for.⁹ The shared nature of the responsibility for Local roads creates confusion, but it can be expected that local government will be unhappy if the increase in Commonwealth funds for Local roads is not matched by a similar increase in the amounts passed on by the State government.

Projects for which funds are allocated to local councils involve the more important roads in a local area which have not yet become the responsibility of the Commissioner for Highways. All roads carry some mixture of local and arterial traffic; arterial traffic being defined as traffic whose destination or origin is outside the local council area. The Highways Department will tend to fund roads which carry predominantly through traffic. Borderline cases are more likely to be funded partly by the local authority and partly by grants. It is common for the Highways Department to make successive grants to a council to enable it to upgrade a road that is becoming arterial prior to it being taken over by the Department.

The degree to which a road serves arterial traffic is not the only criterion used to decide which roads will receive grant money. A project may be funded from grants if the road is used by a school bus route, if it is to serve a new or potential industry (perhaps in a bid to attract

that industry) or if it can be demonstrated that the road serves a great deal of tourist or weekend traffic. The Highways Department may also pay to seal a road if maintenance costs of the unsealed road prove too burdensome for a council. The degree to which State government vehicles use the road may also be considered. For example local roads which serve the bus routes of the State Transport Authority are commonly among the lists of roads for which urban councils receive grants.

There are other forms of financial transfers between the Highways Department and local authorities besides those principal grants already described. However the others are far less important. They include 'grants-in-aid' which although earmarked for roads, are not tied to any specific project. With the recent reduction of road grants from State revenue, 'grants-in-aid' have been discontinued, perhaps permanently. Grants earmarked by the Federal Government for M.I.T.E.R.S. projects (Minor Improvements in Traffic Engineering and Safety) have also been distributed separately from the normal grants process. They have been handled by the Road Traffic Board, the Chairman of which is usually the Commissioner for Highways. These grants have also been discontinued. The latest Federal road grants act does not have a specific category for M.I.T.E.R.S. projects. Another grant paid to councils out of the Highways Fund is for bicycle tracks. The Bicycle Track Committee which administers these includes representatives from other State government departments and from metropolitan councils.

Another important form of Highways Department funding is 'debit order work'. These payments are not grants, but are in return for work carried out by the local authority for the Highways Department. In effect the council acts as a contractor. Although they are not grants,

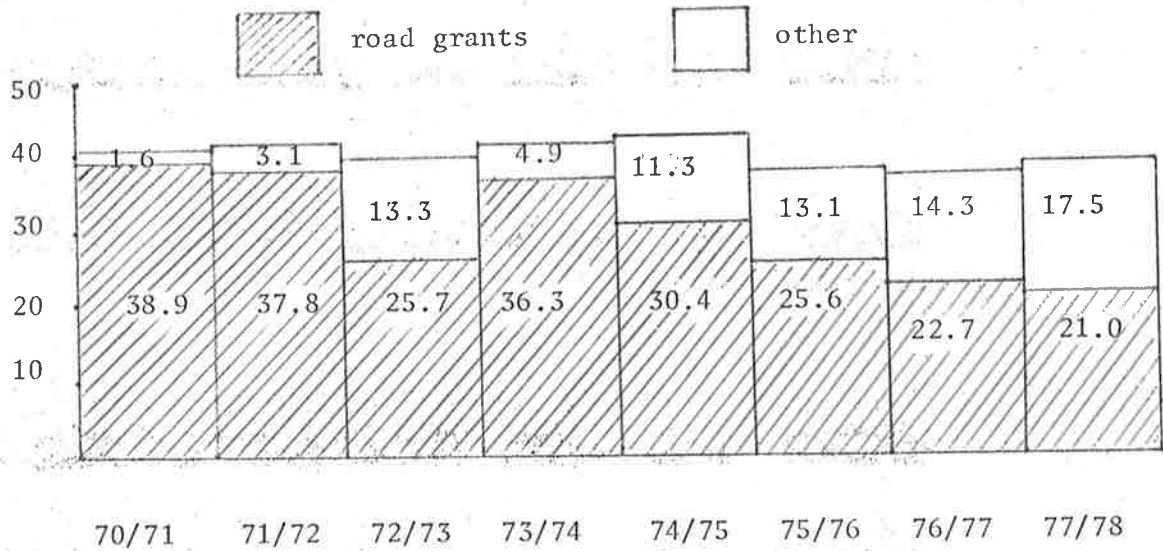
such payments can assist a council by providing for the effective use of existing manpower and machinery. However, they can also cause problems. Debit order work is even more spasmodic than ordinary grants. A council may expand its manpower and machinery in order to cope with Highways Department contracts arising from a major project in the area, only to find this source of revenue disappear when the project is finished.

Although local authorities have diversified their activities in recent years, road construction and maintenance is still usually the most important activity, even in the metropolitan councils. In 1977/78 South Australian councils as a whole spent nearly 30% of their revenue expenditure on roads - over twice as much as for the next category.¹⁰ The situation does vary of course. In 1977/78 the metropolitan cities and corporations (excluding Adelaide City Council) spend an average of 26.8% of their revenue expenditure on the construction and maintenance of roads. Although this figure is boosted by a number of fast growing cities on the fringes of the metropolitan area, it is still low in comparison with the proportion devoted to roads to small rural councils. In 1977/78 the proportion of the seventeen councils whose revenue was less than \$200,000 averaged 46.1% of their expenditure on roads.¹¹

The reliance of local authorities on road grants is even more varied. Road grants averaged only 2.2% of the revenue of the metropolitan councils. Yet such grants are often vital to the small rural councils; in 1977/78 they averaged 21% of total revenue. Almost half of the Carrieton District Council's revenue (45.9%) was provided by road grants. This figure rises to over 50% if one includes reimbursement of Highways Department work.¹²

FIGURE 6.2

AVERAGE PERCENTAGE OF REVENUE FROM GRANTS, SELECTED
RURAL COUNCILS*, 1970/71 TO 1977/78

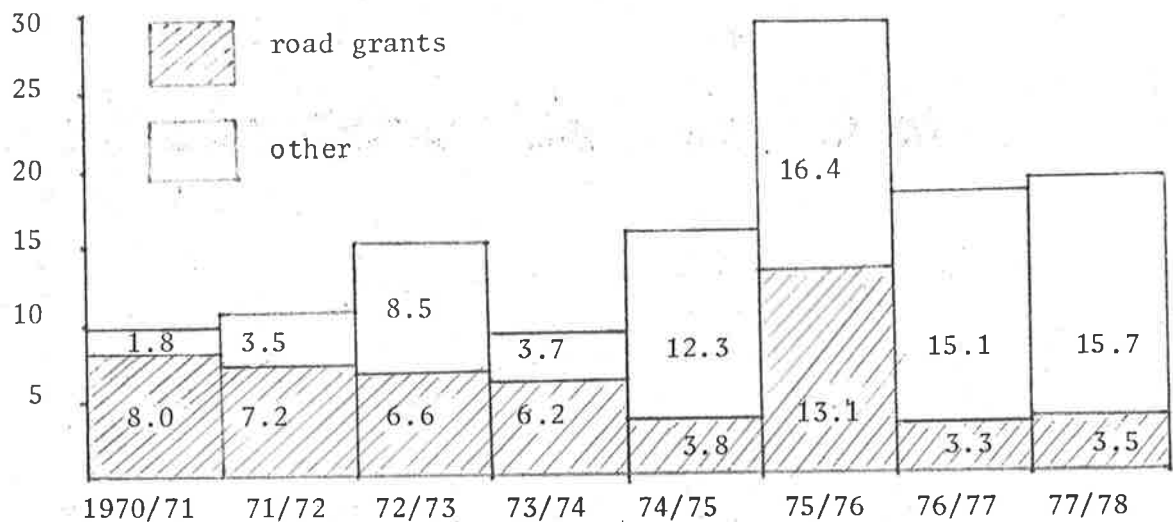


* the figures are an average of the proportions of 17 local authorities whose revenue in 1977/78 was less than \$200,000.

Source: Revised from Australian Bureau of Statistics, Australian Municipal Information System, 1977-78 (Microfiche) A.B.S., Canberra.

FIGURE 6.3

AVERAGE PERCENTAGE OF TOTAL SOUTH AUSTRALIAN LOCAL GOVERNMENT
REVENUE FROM GRANTS, 1970/71 TO 1977/78



Source: See figure 6.2.

As marked as these variations appear, the differences between the urban and rural councils are less than in the past. Before 1974 (when the Federal Government first earmarked funds for local urban roads), the metropolitan councils in general could not expect to receive any grant for their roads. The Federal government has also eased somewhat the reliance of rural councils on road grants. From 1973/74 to 1975/76 the Labor government directed specific purpose grants to local government for a whole range of activities, though urban and provincial cities were the main beneficiaries of these. In 1975/76 for example the metropolitan authorities received an average of 20.9% of their revenue from non-road grants. For the small rural councils the figure was 13.1%¹³ The income-sharing policy of the present Federal government, which provides untied grants through the Federal and State Grants Commissions, has been slightly more successful in reducing the reliance of the rural councils on road grants, as figure 6.3 demonstrates.

It will be noted that the grants process requires ministerial approval of programs. This has given rise to the proposition that allocations are susceptible to political influence. Common allegations are that; (1) ministers will give favourable treatment to marginal seats in order to win or retain them for the government, and (2) that ministers will see that their own electorates a higher level of grants than would be justified by need.

These propositions will be tested by looking at the proportion of the total grant going to councils within a number of electorates over a thirty year period to see if funding patterns appear that could be explained by political factors. The ministerial electorates are the former Legislative Council electorates of Southern, Central no. 1 and

Central no. 2, and the House of Assembly seat of Ascot Park. The marginal electorates to be examined are the House of Assembly seats of Millicent and Mount Gambier. Both have been the subject of frequent suggestions regarding political influence among lower administrative and political informants.

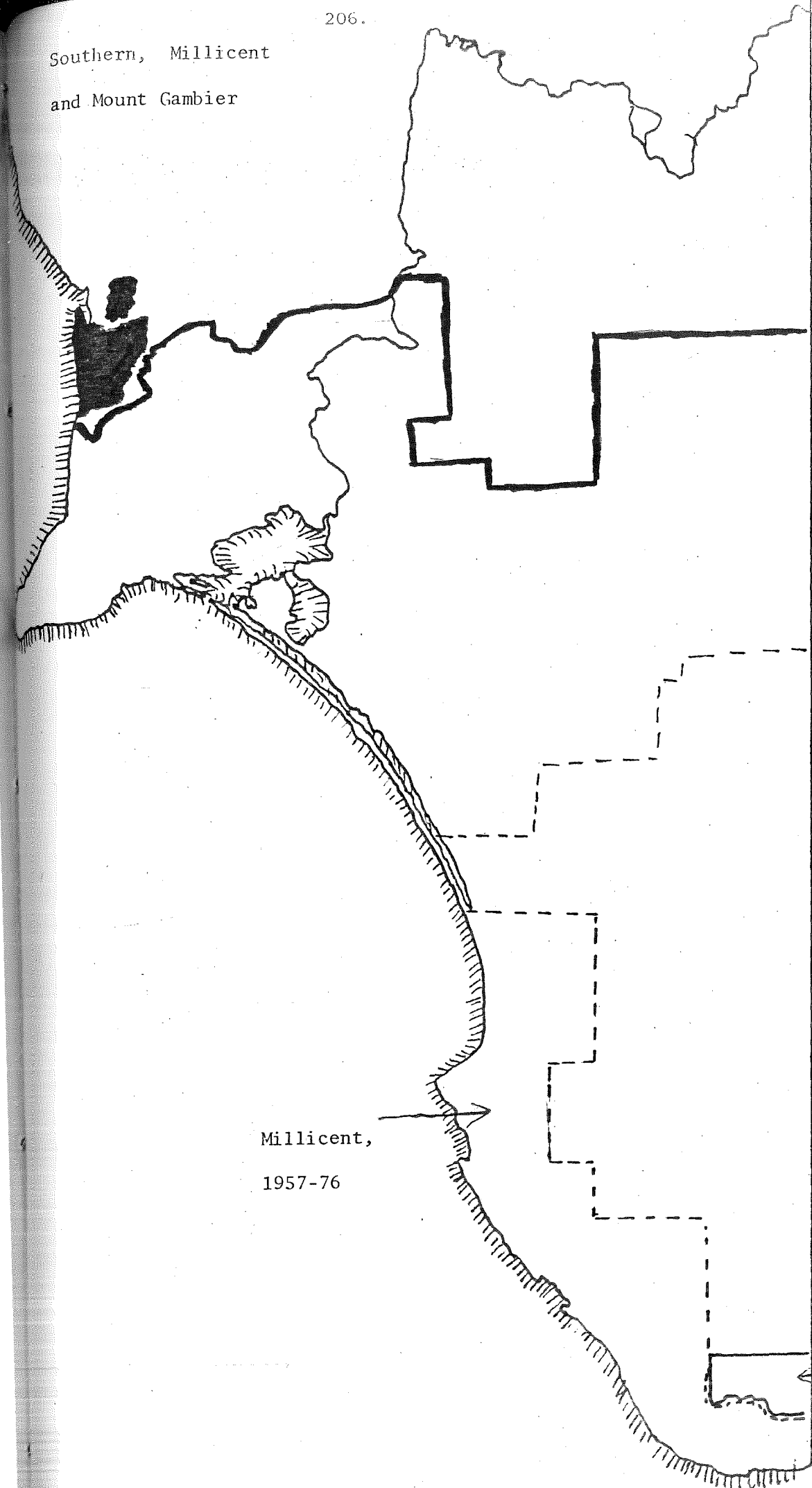
Southern

Southern covered the south east of South Australia. Until 1969 South Australia was divided into five Legislative Council electorates, each with four members. As one of the three rural electorates, Southern covered a large area. It stretched from St. Vincent's Gulf to the Victorian border and from north of the Murray Bridge-Pinnaroo road to the south east coast (see map p.206). From 1935 to 1955 its northern border followed the River Murray, but as its 'critical' period began in 1954, the contracted border only will be used.

Southern is of interest because it was the electorate of the first Minister directly responsible for roads since the creation of the office of Commissioner for Highways.* When the post of Minister of Roads was created in early 1954 it was given to one of the members for Southern, Mr. N.L. (later Sir Norman) Jude. He retained the portfolio until the defeat of the Playford government in 1965.

* The actual relationship between the Commissioner and the Executive before 1954 is somewhat ambiguous and it could be claimed that in fact the Commissioner was responsible to the Minister of Works. During the period being studied this portfolio was held by Mr. M. (later Sir Malcolm) McIntosh. However because a large proportion of his electorate was at that time not incorporated under local government, no effort has been made to assess the proportion of grants going to his electorate.

Southern, Millicent
and Mount Gambier



Southern,
← (northern
border) (1955-196)

Highway's Department
South-Eastern
district
(northern border)

Millicent,
1957-76

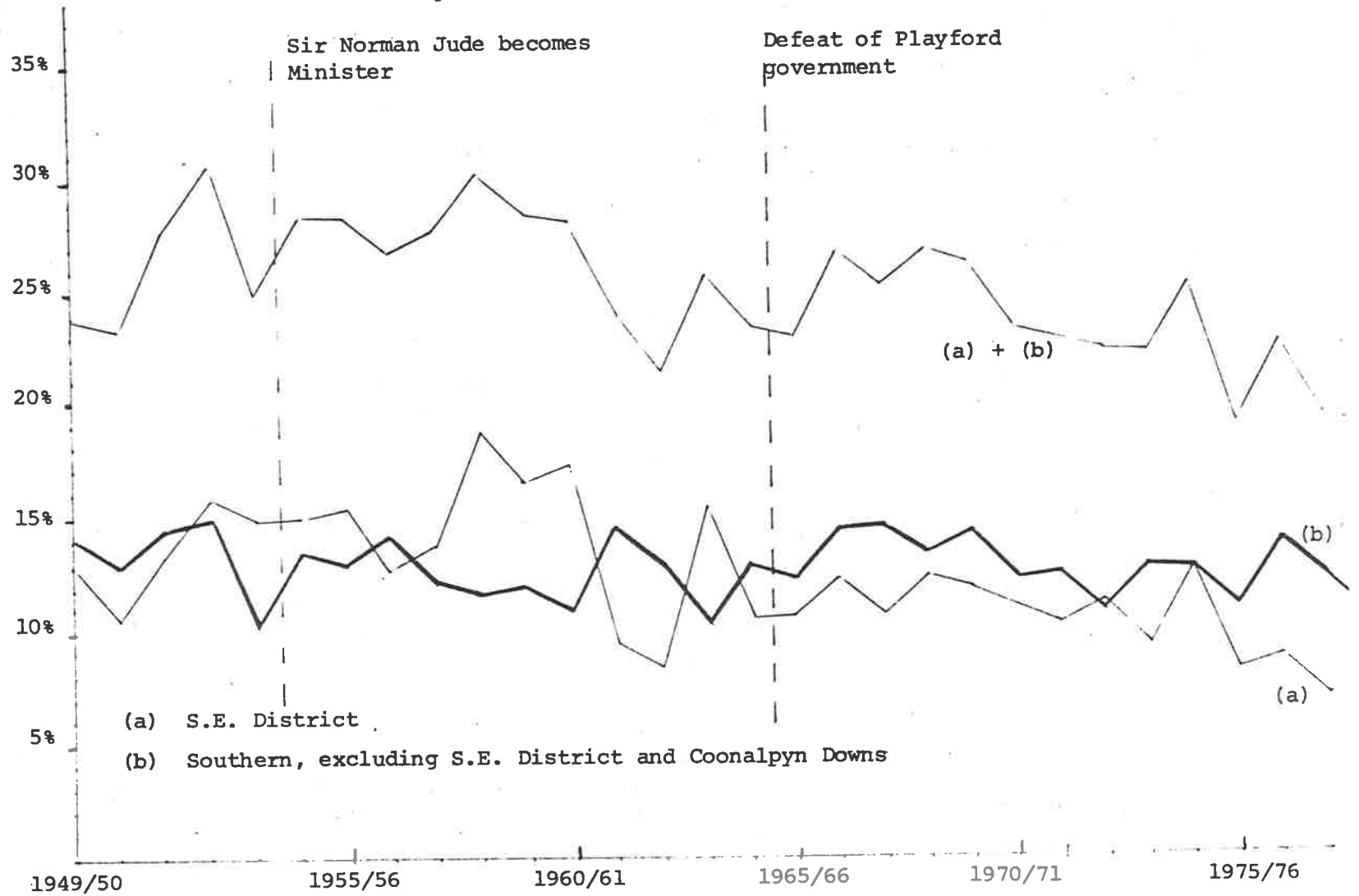
Mt. Gambier
1955-76

Figure 6.4 is a graph showing the proportion of South Australian local government road grants received by councils in Southern from 1949/50 to 1978/79. Not all councils have been included. Councils whose borders extended into other Legislative Council electorates have been excluded for fear of introducing extraneous political factors. So also has the District Council Coonalbyn Downs, which was incorporated only in 1957. Prior to 1957/58, roads in the Coonalbyn Downs area were the direct responsibility of the Commissioner for Highways.

Figures for Southern as a whole may be affected by the growth in the timber industry and the marginality of the two House of Assembly seats, Mt. Gambier and Millicent. These other factors are confined to an area covered by the Highways Department's South Eastern district. Therefore figures for South have been divided into two parts: the South-Eastern district and the rest, which serves as a 'control' area.¹⁴ The development of the northern part of the electorate has generally matched the rest of the State, and all House of Assembly seats within it have been safely Liberal throughout the period under study.

A look at the total proportion of grants going to councils in Southern would support the proposition that Sir Norman Jude looked after his electorate well. During the period that McIntosh and Jude were responsible for roads, the electorate received an average of 26.6% of council road grants, compared with 23.8% for the rest of the period under examination. However, the high level under Jude and McIntosh was the result of grants to councils in the southern part of the electorate only. Here there has been a remarkable consistency in the proportion going to the northern, or 'central' part of the electorate in the periods before and after the fall of the Playford government. 12.50% was the

Percentage of State road grants to local government, 1949/50 - 1977/78



proportion received under McIntosh and Jude; 12.82% was received under McIntosh, Bevan, Hill and Virgo.

The figures do not support the oft-made claim that Jude directed an undue proportion of grants to his electorate in order to make his position in parliament more secure. Indeed, he had little need so to act for the results of elections for the seats were such a foregone conclusion during that period that the electorate was usually uncontested.¹⁴ The South-eastern district of the electorate did receive a higher proportion of road grants under Jude than under the other ministers (13.6% as against 11%). The reasons for this will be discussed further when Millicent and Mount Gambier are examined.

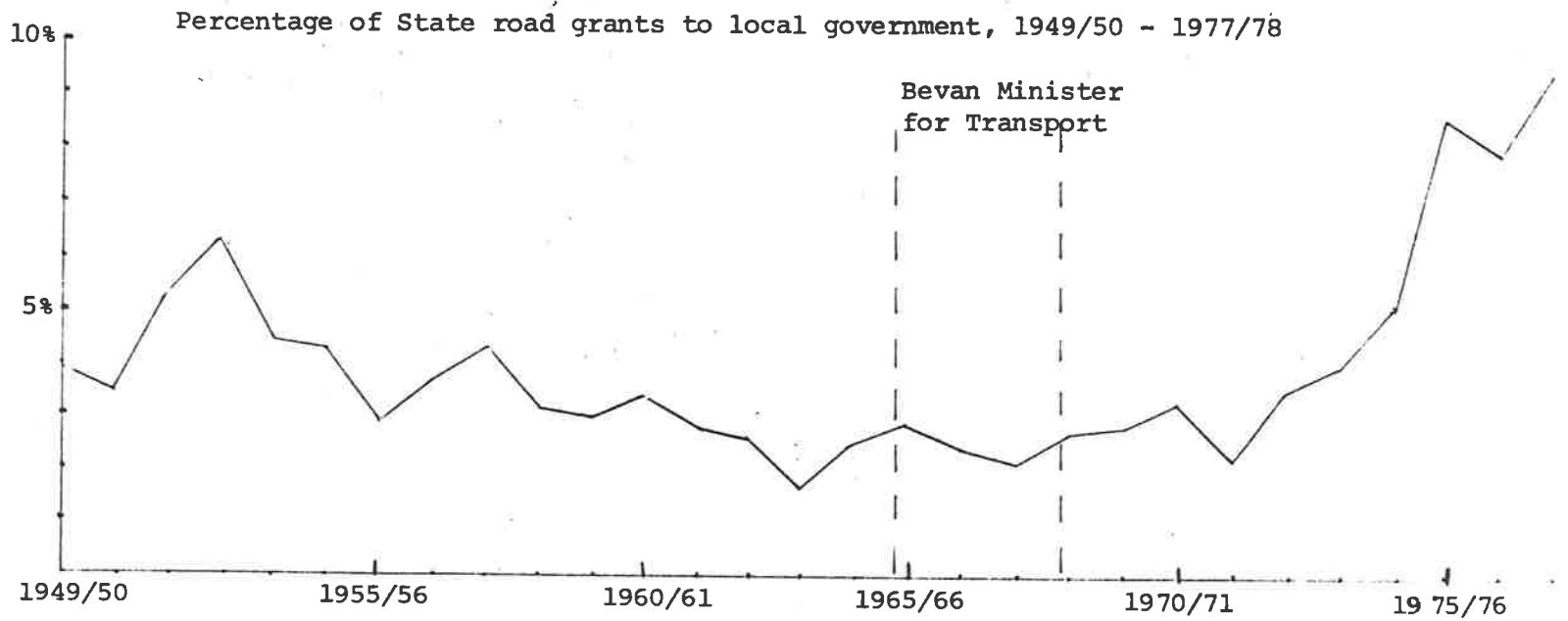
Central No. 1

Central No. 1 was a Legislative Council seat which was held for a time by Mr. S.C. Bevan, Minister of Roads and Local Government from 1965 to 1968. The seat could generally be described as comprising the northwest half of the Adelaide metropolitan area. Moving from the coast eastward, the southern boundary followed the Anzac Highway, the south and east borders of the City of Adelaide, and a line roughly following the River Torrens.¹⁶

This location made Central No. 1 a safe Labor seat and in fact it was the only one of the five Legislative Council seats that was regularly held by Labor.¹⁷

Apart from the period before the Commissioner lost his independence in 1953, the only time in which councils in the electorate have received a reasonably high proportion of the total grant has been in

FIGURE 6.5
Central No. 1



recent years. Figure 6.5 demonstrates that Bevan did not favour his own electorate in the distribution of road grants. He continued the policy of the former Liberal government toward Central no. 1. The electorate received a slight increase in its share of road grants shortly after Bevan became Minister, but this was more than wiped out in the following two years. Once again, however, there was no need to favour the Minister's electorate, as it was safely held by the government. The rise in the share going to the councils within the former electorate rose after 1971/72, and this could be interpreted as a Labor government favouring its electoral support. However it will be seen that the rise is even more dramatic for the conservative areas of Central no. 2. The critical factor in both cases is the introduction of Urban Local roads as a separate category by the Federal government in 1974/75.

Central No. 2¹⁸

Central No. 2 was the electorate of Murray Hill, Minister of Roads and Transport from 1968 to 1970. This electorate comprised the south eastern half of the metropolitan area, and was safely Liberal.

The grant pattern for Central No. 2 is similar to that of Central No. 1 - despite their differing political complexions. Grants fluctuated at a relatively low level throughout the sixties and early seventies until the 1974 Commonwealth legislation brought about the huge increase in 1975/76.

Hill's period as the responsible Minister was too short for any pattern to become apparent, but what figures there are lend no support to claims of political influence. The one year when road grants were

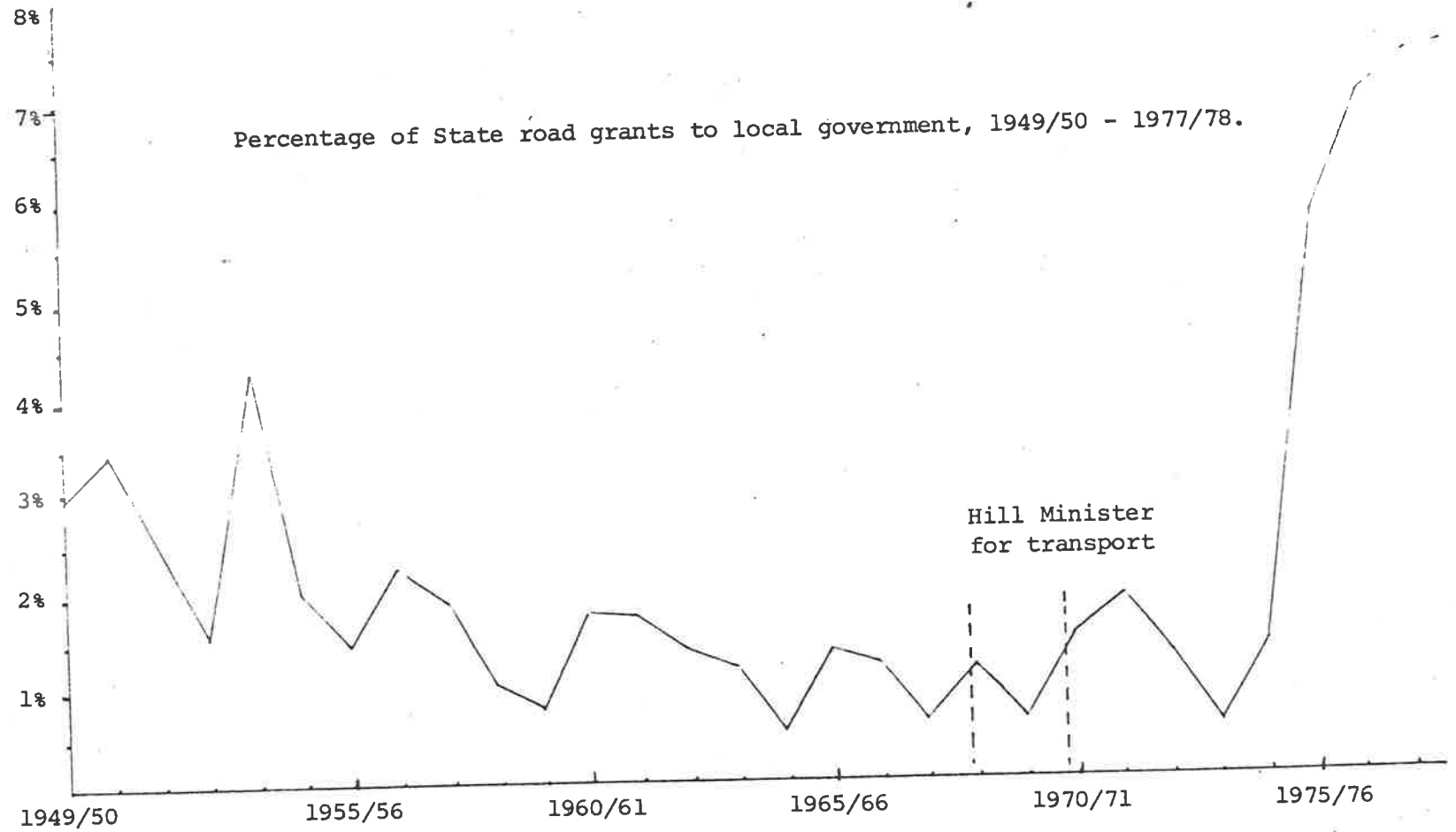
entirely under the dispensation of the Liberals was 1969/70, when Central No. 2 received one of the lowest proportions of road grants for the whole thirty year period.

Ascot Park

Ascot Park was held by the Minister of Transport from 1970 to 1979. Created in the 1969 redistribution, it is bordered by the Adelaide-Glenelg tramline, South Road, Daws Road, Marion Road and the Sturt Creek. Throughout its existence it has been regarded as a fairly safe Labor seat, the majority in the four elections from 1970 to 1977 averaging over eleven percent.

As Ascot Park forms only the small northern portion of the City of Marion it would be misleading to regard Marion's share of State grants as reflecting the pattern in Ascot Park. A more precise indication of the allocation of grants is available from the Highways Department. These figures detail amounts for individual roads and it is therefore possible to see how much is spent on roads within the electorate. As has been mentioned, until recently the State government often gave general grants-in-aid for road purposes to Councils in addition to the amounts going to individual projects. Unlike normal grants, grants-in-aid were

FIGURE 6.6
Central No. 2



not tied to specific projects. The Minister could not determine which part of the council's area (and therefore which electorate) would benefit. For this reason they have been disregarded.

The figures for the two metropolitan electorates in the Legislative Council have already shown that very little grant money was directed to metropolitan authorities for roads until 1975/76. In fact, in the 26 years from 1949/50 to 1975/76, Marion received grants for specified projects on only ten occasions.¹⁹

For the first five years in which road grants needed Mr. Virgo's approval, no money at all went to roads within his electorate, although in 1974/75 Marion did receive \$25,000 for other roads. In 1975/76, when the Federal government ensured that funds went to metropolitan councils, the two projects for which the Marion Council received funding amounting to \$29,750 were both in Ascot Park. In 1976/77 Ascot Park received nothing, although Marion as a whole was granted \$56,170. Marion received \$145,000 in 1977/78; \$141,500 of this was for a project within Ascot Park. In 1978, of the \$100,000 grant made to the City of Marion, Ascot Park received \$29,000.

Ascot Park received a much larger proportion of road grants under Mr. Virgo than it did previously. From 1949/50 to 1969/70 it received an average only 0.035% of the States' total grant. In the 1970's this rose to 0.6%. However it also received no grant at all in the first four years in which Mr. Virgo was Minister, and only rose substantially when the Federal government specifically directed funds to Urban local roads. Because of the distorting effect of Federal funds and because of the minute proportion involved, it would perhaps be more enlightening to compare Ascot Park's share of Marion's grant for the different periods.

In the 21 years from 1949/50 to 1969/70, the City of Marion received grants from the Highways Department on nine occasions. On six of these the entire grant went to projects in Ascot Park. On the other three occasions, all of the grant went to projects outside Ascot Park. Of the total of \$36,456 received during the period, \$27,656, or 75.9% went to projects in the area that was to become Ascot Park. Details of grants under Mr. Virgo have already been given. The City of Marion received \$356,200 from 1970/71 to 1978/79. \$200,250, or 56.2% went to Ascot Park. Ascot Park received a lesser proportion of Marion's grant under Mr. Virgo than it did for the rest of the period.

From the figures given, it is clear that no obvious advantage in road funding flows to the electorate of the minister who makes the allocation. It remains to examine the two electorates whose marginality has been said to occasion favourable treatment from the State government.

Millicent²⁰

Millicent was created as an electorate in the 1955 redistribution of boundaries, being carved out of Victoria and Mount Gambier. It disappeared into Mallee, Victoria and Mount Gambier in 1977. For all but the last two years of its existence it was held for the A.L.P. by members of the Corcoran family, first by Jim Corcoran and from 1962 to 1975 by his son Des.²¹ Apart from the elections in 1965, 1973 and 1975, the seat has always been closely contested, as the following table shows:

PARTY VOTE, MILLICENT 1958-1977

	1958	1959	1962	1965	March 1968	June 1968	1970	1973	1975
L.C.L.	47.7	45.5	46.0	38.2	50.0	46.8	46.0	43.5	59.9
A.L.P.	52.3	54.5	54.0	61.0	50.0	52.5	54.0	56.5	40.1
D.L.P.						0.7			

Source: S.A. Electoral Office, Statistical Returns.

In 1975 Des Corcoran nominated for a safe metropolitan seat and Millicent was won easily by the Liberals.

If the Minister did use road grants to buy votes in Millicent it might be expected that Millicent's proportion of the State's local government road grants was highest in the years in which it was marginal. It may also be expected that the proportion of grants will be highest when an election is impending.

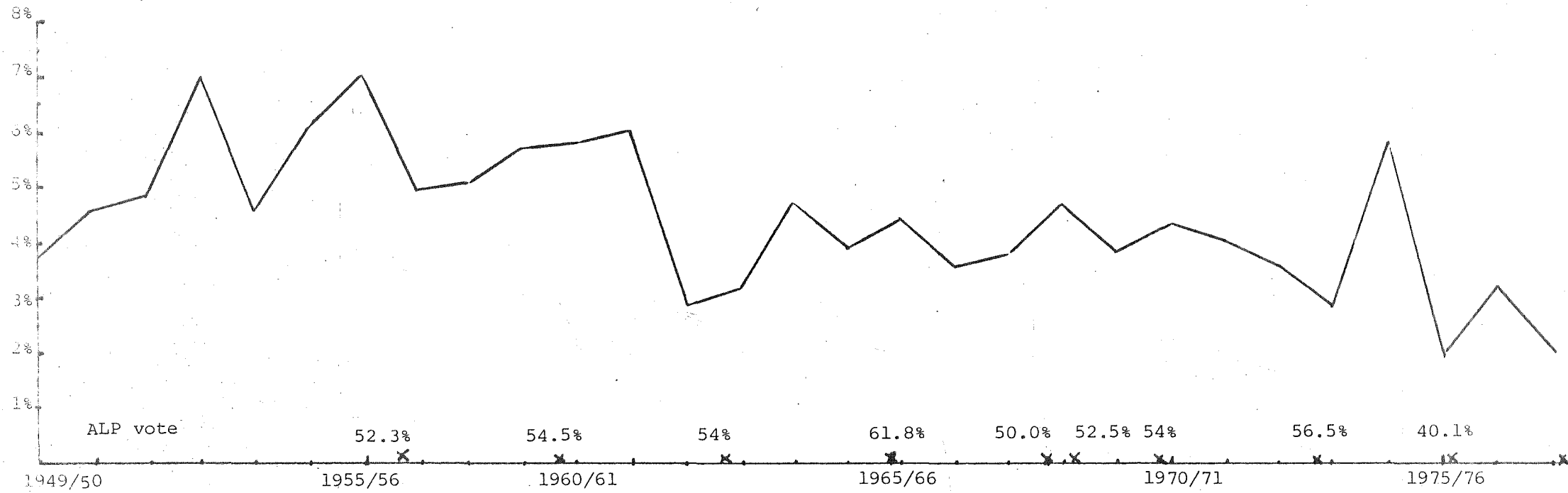
An examination of figure 6.7 shows that this pattern does not occur. On some occasions grants to councils in the Millicent electorate conform to political expediency, but on most they did not. Grants rose before the 1956 election and fell immediately afterward. In 1959, however, the grant rose before and after the election. The grants before and after the 1962 and 1965 elections varied inversely with the electoral timetable falling before and rising afterward.

Grants in the late sixties give apparent support to a political explanation. Grants in 1966/67 and 1967/68 were at a relatively low level, but this may be expected, given that the sitting member had a majority of over 10%, and the grant rose slightly in the latter year,

FIGURE 6.7

Millicent

Percentage of State road grants to local government, 1949/50 to 1977/78,
and A.L.P. vote 1956 to 1975.



which preceded an election. The March 1968 election resulted in a Liberal government, which relied on the support of an Independent. In Millicent Corcoran received only one more vote than the Liberal candidate and a new election was held in June. In the intervening period road grants were decided, and in fact Millicent's share rose in 1968/69. However, the fact that the government did not take the trouble to announce the new grant until after the election had taken place²² discounts the significance of this and is perhaps an indication that the government did not intend to use road grants for political purposes.

The 1970 election is difficult to comment upon as the government did not know that it would be forced to an early election when it formulated the 1969/70 grants. However, the rise in grants immediately after the election is contrary to the politically expedient pattern. Grants before and after the 1975 election also failed to conform; they plunged immediately before the election and rose after it. The same occurred before and after the 1977 election.

A year by year analysis demonstrates that on most occasions the pattern of road grants was the opposite of what might be expected. However the trend is not clear enough to propose an alternative explanation based on electoral factors. The fact that no clear pattern emerges suggests that the levels of grants in Millicent have been decided according to non-political criteria.

A more long-term look at road funding for Millicent over the last thirty years gives little more support for claims of political motivation. Certainly grants were at their consistently highest level in the mid to late fifties, when the seat was marginal. They fell as the

seat became safe Labor. However, grants did not rise again when the seat became more marginal, and fell to their lowest level when the seat was absorbed by the marginal seat of Mount Gambier.

Mount Gambier

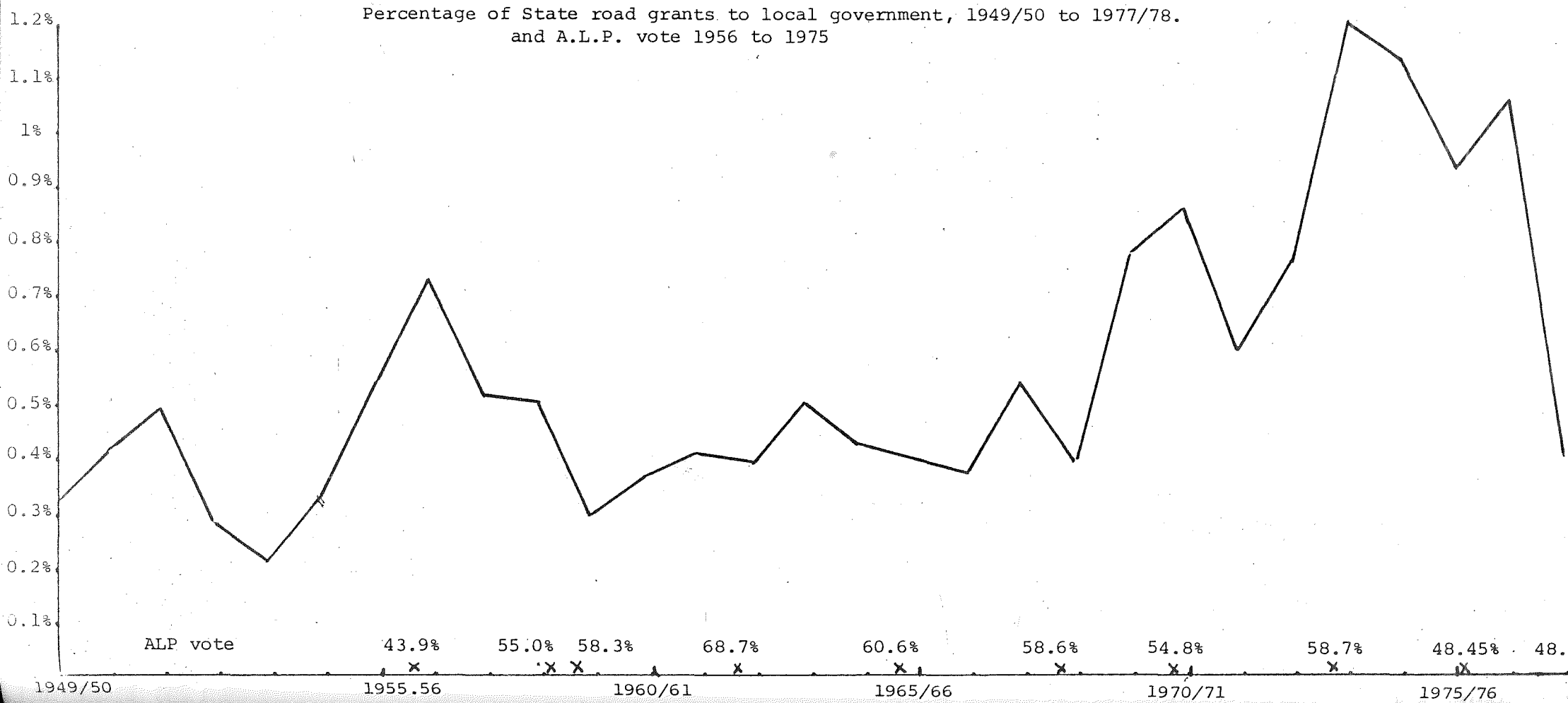
For most of the period under consideration the electorate of Mount Gambier lay between Millicent and the Victorian border. It was fairly small in size, being dominated by the City of Mount Gambier. Even in the enlarged electorate following the 1976 redistribution, 72% of the votes cast in the 1977 election were cast in polling booths within the city, (excluding absent votes and postal votes). For this reason road grants to the Corporation of the City of Mount Gambier have been assumed a sufficient indicator. Roads within the City of Mount Gambier have always been regarded as 'rural' by Commonwealth legislation, and so figures for the urban centre will not be greatly affected by the introduction of Urban Local grants in 1974.

Until 1958 Mount Gambier was held by an Independent, Mr. J. Fletcher. Labor easily won the by-election that was held on his death (see Figure 6.8). From a highpoint of 68.7% of the vote in 1962, Labor's hold on the seat gradually weakened, until it was captured by the Liberals in 1975. It is now a reasonably safe Liberal seat, requiring a five percent swing to dislodge the sitting member.

A cursory examination of figure 6.8 will show that Mount Gambier is similar to Millicent in that no clear pattern emerges in a year by year analysis of grants. Both 'peaks' and 'troughs' tend to occur in the

FIGURE 6.8

Mount Gambier



year following an election. None of the elections in 1956, 1958, 1965, 1970, 1975 and 1977 fall within a pattern to be expected if the Ministerdetermined grants according to political expediency. Only three elections (1959, 1962 and 1968), conform to such a pattern.

If one looks at the long term pattern, it does appear that the levels of grants were sensitive to the electoral situation. Grants were high under the Independent (though this coincided with Mount Gambier's growth as a regional centre). They were high during the period of transition in voting loyalty in the mid-seventies. They were lowest in the sixties, when Mount Gambier was a safe Labor seat.

However, a closer examination indicates problems. Although Mount Gambier received its high grants during the mid-seventies, when the seat swung to the Liberals, the peak occurred just after an election in which the A.L.P. vote temporarily rose, to 58.7% of the two party vote. The A.L.P. government could not have expected the 10% swing which occurred in the next election, and yet grants remained high in the following three years (1974/75 to 1976/77) dropping just before the 1977 election. Those claiming political expediency would be hard pressed to explain the plunge in grants that has occurred in the last few years of Labor rule, particularly as Mount Gambier is a seat the Labor Party has high hopes of regaining. It could be claimed that the low level of grants reflected the fact that the seat was held by an Opposition member, although the 1976/77 grant, decided at least six months after the election in which the Liberal candidate was first returned, was higher than that for the previous year.

Like Millicent, then, Mount Gambier offers no evidence that the

road grants are determined or even affected by the state of the electoral pendulum. High grant periods are generally matched by transitional stages in the seat's history, but a closer examination suggests that such grants are not determined by an awareness of the seat's marginality.

Conclusion

In order to test the common belief that road funding is used for political purposes, the study has concentrated on areas most likely to reveal such a pattern. The electorates of Southern, Millicent, Mount Gambier and Ascot Park in particular have been mentioned as ones which have received more than their fair share of road grants.

For these claims to be supported, marked patterns would have to appear over the thirty year period. This has clearly not been the case. Although the high levels of road funds for Southern in the fifties may be attributable to Sir Norman favouring his electorate, there are non-political explanations which are satisfying. First, the nineteen fifties saw a rapid expansion in the timber industry in the south east. Mount Gambier's population rose from 6,777 in 1949 (1.05% of the State's population), to 16,388 in 1961 (1.58%).²³ Such development would require a greater investment in infrastructure such as roads. It has also been claimed that a determined effort was made to seal the roads in the lower south east in the nineteen fifties because it was realized that long term savings in maintenance could be made in such a high rainfall area. These savings were thought to justify the capital expenditure involved and explain why so many roads in the area are 'black' compared with other rural areas throughout the State.²⁴

The electorates of Bevan and Hill received less rather than more

funds during the periods in which the respective members were in office. The case of Ascot Park is a little more complex, given that the electorate is only a small part of the City of Marion. It has been shown that Ascot Park received less of Marion's grant under Mr. Virgo than it did before. Of course it should be pointed out that Ascot Park was fully developed by 1970, whereas the southern part of Marion grew rapidly during the seventies, and so should be expected to take a higher proportion of the grant. However this factor does not assume the importance it may otherwise have had because road grants to urban councils have not been designed to relieve the councils of development costs. The bulk of the road projects funded are along bus routes. Ascot Park has received grants disproportionate to its size throughout the thirty year period because it is the closest part of Marion to the centre of Adelaide and so has a relatively high flow of bus traffic.

The case regarding marginal seats is not so clear cut, though here also a political explanation receives little support. While there are difficulties in analysing road grants on a year to year basis, a close look at the level of grants for individual years throws doubt on the conclusion that Mount Gambier did well because of its marginality. In the case of Millicent no clear pattern occurs in either the short term or long term analysis, and so once again the case for political interference is unsupported. It may be thought that no pattern appears when the marginal seat is held by the Opposition because of the dilemma faced by the government. There is a danger that voters will give the local member the credit for government beneficence. However, it has been claimed that this will not deter governments. Instead, efforts will be made to maximize credit for the government and minimize that to the local member by means such as excluding the member (if possible), for opening

ceremonies, publicizing the minister involved, etc.²⁵

The obvious question remaining is why the analysis has not shown evidence of political interference. One important but neglected answer is that the Minister has a political interest in being, (and being seen to be), a good administrator. A good way to avoid allegations of placing sectional interests above those of the community is not to pander to sectional interests. The Highways Department itself is very conscious of the need to avoid being seen to neglect some areas. A senior Highways Department official noted that a criterion of overriding importance observed when drawing up the annual road program is to see that each of the Department's regions is treated "fairly". Presumably this means that they receive more or less the same as they usually do. Of course this criterion itself may conflict with the principles of need and economic rationality and fairness.

There are times when the minister's image as a good, reasonable administrator is served by overruling departmental decisions. Occasionally the department is seen as arrogant or insensitive to community feeling and timely intervention by the minister is seen as beneficial. It has been known for the Highways Minister to thwart Departmental plans even on the day of construction if sufficient community concern has been apparent. Environmental matters in particular create such conditions.

Generally, however, the Minister is reluctant to overrule Highways Department's advice. In the second reading speech supporting the 1953 bill curbing the Commissioner's powers, the Premier, Mr. Playford, said:

"...the power in question will continue to be exercised by the Commissioner of Highways but the approval of the Minister will be required to exercise that power."²⁶

Decisions on priorities were to be made by the Commissioner. It appears that this situation did exist and still does exist.

This independence is buttressed by the collective expertise of the Highways Department and the momentum created by the planning process. A great deal of work is put into assessing the worth of projects put forward by councils both at the regional level and at head office. It would need a determined Minister to overcome the strong case put forward by the Department, particularly at the approval stage. In fact local government sources, when speaking off the record, have criticized Mr. Virgo (who was by no means regarded as a weak politician in other quarters), for too easily abdicating decision-making in favour of the Commissioner.

There are other possible reasons why road grants to the councils have been apparently free from political influence. State Road grants for any one year consist of hundreds of separate items for individual projects. Any effective interference must necessarily be piecemeal and difficult when compared with the opportunities open to the Federal Minister. Related to this is the small-scale nature of the projects funded. Few are important enough to attract the attention of enough voters to make ministerial interference worthwhile though the Minister may provide guidelines which favour certain 'categories' of roads. (neglect of metropolitan councils by both parties being an example). The Minister may prefer to concentrate any specific intervention on the larger projects which are generally carried out by the Highways Department. There is a further reason why the Minister may interfere in

projects undertaken by the Department. This is that the voters' appreciation of the State government's role in funding local government projects will be low. Voters will naturally assume that if a project is being undertaken by plant bearing the name of the local council, that council should take the credit. State government beneficence will go unrecognized. It must be admitted, however, that the same problem faces a Federal government minister, and this has not deterred him. Rather, the Federal government has taken special efforts to see that its funding role is recognized. Signs at the side of National Roads bearing maps of the national highways system are a part of this effort.

The idea that the Minister will be more likely to overrule departmental advice when dealing with State government projects than with grants is supported by the claim that the Commissioner will tend to use his power selectively.²⁷ His prime interest, (apart from the professional concern of building and maintaining an efficient road network), will be to utilize fully his plant and manpower and perhaps enlarge the activities of the authority. Consequently he may be more receptive to ministerial pressure regarding a project which would be undertaken by the Department than he would be if the expenditure was for activity undertaken by the local government authority. The Commissioner could afford to be more insistent that council projects that received funding be decided on the basis of need and efficiency.

The weakness of this argument is that because funds going to the road authority are either pledged from road user taxes or from grants determined by the Federal Minister, the State Minister's freedom to restrict funds to the road authority is very limited. Nevertheless, he can determine the amount going to local government in the form of grants

and 'debit order work' and if his plans for expenditure on a pet project are thwarted in favour of a less favoured (but economically warranted), project, he may feel inclined to turn over a greater proportion of the road authority's funds to local government. It can be seen, then, that there at least exists a motivation for the Commissioner to be more pliant in his dealings with the Minister when dealing with Departmental projects than with grants to councils.

It can be seen then that although the most obvious reason for the lack of political interference in State road grants is the relative expertise and independence of the Highways Department, the intergovernmental context may well play a part. The other possible explanations put forward all centre in some way or other on the fact that the funding is in the form of grants to other governments.

FOOTNOTES

1. Derived from Highways Department, Annual Report 1978-79, Parliamentary Paper no. 37, appendix C.
2. Probably the best source for information on the process is the Highways Department's The South Australian Governments Responsibilities in Respect of Roads, Adelaide, 1979, 5.2.7.
3. This was the tenor of complaints offered by the District Clerk of Barossa (and at that time President of the Institute of Municipal Administration), Mr. Keith Davis. Personal communication, 6 March, 1980.
4. Personal communication, Mr. J. Hullick, Secretary-General, Local Government Association of South Australia, February 1980.
5. Local Government Association of South Australia, Local Government Functions in the Roads Fields (prepared by E.L. Noack and W.H. Hickling) Adelaide, March 1979, S.2.7.
6. Personal communication, Mr. Smithers, City Engineer, City of Woodville, 19 December 1980.
7. Personal communication, Mr. R. Beverly (Assistant Commissioner (Planning and Design), Highways Department) 28 March 1979.
8. Commonwealth Record 11-17 September 1978, p. 1234 and 22-28, October 1979, p. 1622.
9. Ibid., 31 July to 6 August 1978, p. 992.
10. Derived from Australian Bureau of Statistics, Australian Municipal Information System 1977-78 (Microfiche) A.B.S., Canberra.
11. Derived from loc.cit.
12. Derived from loc.cit.
13. Derived from loc.cit.
14. The South-Eastern district comprises the Corporations of Mount Gambier and Naracoorte and the district councils of Beachport, Lacepede, Lucindale, Millicent, Mount Gambier, Naracoorte, Penola, Port McDonnell, Robe, Tantanoola and Tatiara. The 'control' area comprises the District Councils of Meadows, Mount Barker, Onkaparinga, Port Elliot and Goolwa, Strathalbyn, Willunga, Yankalilla, Lमारoo, Mannum, Meningie, Murray Bridge, Peake and Pinnaroo.
15. R. Hetherington and R.L. Reid, The South Australian Elections, 1959 Rigby, Adelaide, 1962, p. 82.
16. Councils whose boundaries were wholly within the electorate and which therefore form the sample are Adelaide, Enfield, Henley and Grange, Hindmarsh, Port Adelaide, Prospect, Thebarton, Walkerville, West Torrens and Woodville.

17. Hetherington and Reid claim its boundary was drawn so as to concentrate Labor voting support in only one electorate. op.cit., p. 31.
18. Local authorities wholly within this electorate and therefore included were the Corporations of Brighton, Burnside, Cambelltown, Kensington and Norwood, Marion, Mitcham, Payneham, St. Peters and Unley.
19. This and the following information is from figures supplied by the Highways Department and from Annual Reports.
20. Those examined are the District Councils of Beachport, Millicent, Port McDonnell, Robe and Tantanoola. Tantanoola was included despite extending slightly into Mount Gambier because in 1975 it amalgamated with Millicent.
21. The vote for the Corcorans appears very much personally based. A senior member of the S.A. A.L.P., Geoff Virgo, told the National Times, "Millicent never really was a Labor seat; but Corcoran was a household name as far as the area was concerned." (Week ending 14 April, 1979, p. 22). See also Hetherington and Reid, op.cit., p. 27 and p. 147 and for comparisons with federal voting, Neal Blewett and Dean Jaensch, Playford to Dunstan (Cheshire, Melbourne, 1971), pp. 27-28.
22. The notice appeared in the local paper (the South East Leader) 18 July 1968.
23. Derived from figures contained in A.B.S. Year Books.
24. Mr. A.K. Johnke, personal communication, 16 January, 1979. (Mr. Johnke was the District Engineer for the area at that time.)
25. Personal communication, Mr. Stan Evans, M.H.A., 2 July 1980.
26. S.A.P.D., 1953, vol. 2, p. 1687 26 November, 1953.
27. Mr. Stan Evans (cited).

CHAPTER 7CONCLUSION

It is not surprising that the case study has been unable to give an unequivocal answer to the question of whether the intergovernmental context encourages or discourages political influence. The introductory chapter demonstrated that the question has many facets. The case study has, however, been able to throw some light on each of these. In concluding the study, the findings as they relate to these facets will be summarized. A general discussion of the relative influence of participants will be followed by an outline of the other major areas of intergovernmental funding in order to determine the general applicability of the roads case study.

First, it has been shown that intergovernmental relations take on many forms. One of these forms results from the need to overcome problems that each government has in common with the others. With companies legislation, for example, the actions of one government will significantly affect the legislative environment in the other States. A joint approach, sometimes involving uniform legislation, may be necessary. Vertical fiscal imbalance is a problem faced by all levels of government, and intergovernmental grants have been used as a means of overcoming this. However, it does not follow that because all governments face the problem, all governments will have equal control over the solution. In the case of fiscal imbalance, the financial power of the donor is more likely to encourage the coercive mode of federalism, in which the donor government imposes its priorities on the recipient governments. Here decisions are unilateral rather than multi-lateral. We have seen that the power relationships in the road funding example are in fact not as one sided as this, and this will be discussed further. Nevertheless, the multi-lateral model clearly has no

relevance in the case of intergovernmental grants. It cannot be used to argue that political influence will be minimized because of the need for a joint approach which will satisfy every government involved.

It was noted in the introductory chapter that the grant situation enables each level of government to veto expenditure it sees as unfit. Projects are generally nominated by the recipient government and these need the approval of the donor. It was posited that this process will screen out projects funded because of political expediency. This study has not attempted a systematic study of individual projects because disputes between governments over projects are usually kept private. "Going public" is usually used only as a weapon of last resort. Therefore it is difficult for a researcher to gain the necessary information. Also there is such a vast number of projects involved that any systematic analysis would be impossible. It has been pointed out that the very number of projects involved inhibits the power of the veto. At the Federal level, there has simply not been the manpower to examine the projects in a manner which would effectively screen out those politically motivated.

As was also noted in the introduction, the double veto will only apply where the governments are of different political parties. In the roads study we have seen that this has occurred more often than perhaps would be expected because of the recent hold that the Country Party has the Federal transport portfolio. The highly urbanized nature of Australia has meant that both the Labor and Liberal parties have been heavily reliant on the urban vote to win government, although the country vote is relatively more important in the electoral systems of Queensland and Western Australia. Consequently we have had the spectacle of both Labor and Liberal premiers criticizing the

rural bias of Federal funding.

The introduction to the study also discussed whether public servants have an enhanced role in an intergovernmental context, whether this role would serve to increase intergovernmental cooperation, and whether it could be described as non-political. The relative power of the public service will be discussed later. The features said to enhance cooperative relations - homogeneity of educational and career backgrounds, and a professional approach - have received equivocal support.

The survey that was undertaken of senior State road authority officials found them to be homogeneous in terms of educational background, professional interests and career patterns. As is to be expected from road construction authorities, the senior personnel of both the South Australian Highways Department and the Victorian Country Roads Board were predominantly engineers with a pattern of long service with their respective organizations. Furthermore, the National Association of Australian State Road Authorities provides an umbrella for many opportunities for contact with counterparts in the other States. These meetings, however, are dominated by technical concerns and without the representation of Transport Australia officials, do not provide an opportunity for inter-level discussions of road funding.

The essential difference of Transport Australia is that it is not a road construction authority. As such its officials concerned with road funding do not display the characteristics of the State officials. They are younger, less tied to their department in terms of their career and more varied in their educational background and professional interests. They do have contact with the States, in particular with the Australian Transport Advisory Committee sub-committees as venues. However even

these meetings do not provide forums for the discussion of road funding.

As to the question of whether the public service can be regarded as politically neutral, the evidence of the road study is that ideological factors are not important. The departments involved are both spending departments, and are generally enthusiastic about maximizing budget expenditure on roads. Perhaps the main reason for this is that administrators dealing with only a small sector of the goods and services provided by the government will tend to identify with that sector and stress its importance. Also, of course, the 'empire-building' syndrome will encourage expenditure.

Within those divisions of Transport Australia that deal with State grants the notion of empire-building is not so relevant because no more staff are necessary to advise on and administer grants of \$700 million than for grants of \$500 million. Large staffs will be necessary if conditions attached to the grant are strict and detailed, and it is here that the Federal department has a motive for encouraging the imposition of such conditions. The State road authorities are constant sources of pressure for greater road expenditure - particularly of Federal money. Membership of the Australian Road Federation by a number of them (including the Highways Department) and the submissions made to the C.B.R. and the B.T.E. make this obvious.

No evidence of public service bias between categories of road expenditure has been found at either Federal or State level. One suspects a preference for large projects within the Highways Department, and given the dominance of the engineering profession, perhaps this is not unexpected. However, there is little evidence that this preference

has affected judgement on road expenditure. Remembering that one of the principal reasons given for the curbing of the Commissioner's autonomy in 1953 was his alleged penchant for large projects, this is not surprising.

The study of the two professional research bureaux which have advised the Federal government on road grants concluded that they had strong claims to be free from sectional interests or ideology. However it was shown that the position of the C.B.R. would naturally give it a bias towards roads as opposed to other public services. It was consequently regarded as the friend of road interests, including the road authorities and local government. Also the dilemma faced by the C.B.R. when preparing its 1975 Report highlights pressures felt by an organization concerned with its survival, even with statutory independence. These pressures must be greater on departmental bureaux, which has not had the protection of a statute. So far the B.T.E. has not faced these pressures and in fact it was strengthened by the demise of the C.B.R. However, its existence could be ended more easily than was that of the C.B.R., and as a departmental bureau, it is more open to pressure than is a statutory body.

Arguments regarding the effect of holding ministerial meetings in private are difficult to resolve simply because they are held in private and transcripts are not made available to the public. However, it is rare that full ministerial meetings are really private. The presence of a large number of public servants, the fact that a verbatim transcript of the proceedings is taken and later circulated, and the ever present danger of a 'leak' all serve to inhibit ministers from speaking as frankly as they might.

From the evidence available, it appears that the conversation does avoid political rhetoric and the ministers avoid "playing to the grandstand". However, while the stances adopted in public are not varied in private, the means used to achieve the stated goals may result in the doing of deals over the telephone or over lunch, when conversation really is private. A.T.A.C. provides an example of cooperative federalism working successfully due to a mixture of reasonable, objective approach to joint problems and a bargaining approach in which political trade offs may be employed.

Once again though, although the Federal minister plays an important role in A.T.A.C., the forum is not particularly relevant to the process by which decisions on road funding are made. Its achievements are in the area where responsibility for matters lies with each State government and a joint approach has been necessary for efficient government.

Until recently the meeting of A.T.A.C. ministers has included discussions of road funding. In fact the reason that the subject was transferred to the Premiers' Conference for discussion was the feeling that an inordinate amount of time was being spent on a subject for which the A.T.A.C. meeting was not designed. Formally at least, the terms and amounts of grants are not something that is subject to negotiation. While the States may be consulted on Federal road grants, it is the Commonwealth which ultimately has sole authority. The C.B.R. discussed the question of funding by agreements ratified by legislation, as has been the practice in the case of rail standardization projects. It concluded that funding of roads by agreement would not be appropriate because of the very large number of projects involved.¹ This view has

not prevented State ministers using the opportunity provided by A.T.A.C. meetings to press their views on road funding matters. How successful they have been in this is difficult to assess, although it can be presumed that the reduction in the number of categories in the 1980 legislation was largely as a result of pressure provided through A.T.A.C.

It has been shown that parliament's watchdog role has been weak. At the Federal level, road grants are not subject to scrutiny by parliamentary sub-committees. While the grants are contained in legislation which needs the approval of parliament as a whole, such a forum does not provide an effective filter to screen out decisions of a party political nature. In only one case (1974) was the legislation slightly amended because of parliamentary pressure. In the others, when the government had control of both houses, the passage of the legislation was unhindered. One can speculate on the degree to which Ministers may have been inhibited by the publicity that parliamentary debate can give to the alleged partisan nature of the legislation, but given the paucity of media coverage of past debates, the inhibition is probably not great.

The South Australian parliament possesses no machinery to scrutinize grants going to local authorities. The grants are not contained in any legislation, and to date, no parliamentary sub-committees have seen it as their role to examine them. Thus the watch-dog function of parliament is restricted to occasions such as the grievance debates.

We have seen that at both Federal and State levels, parliamentarians seem far more concerned to push the interests of their constituents than to assess the merit of grants in terms of their benefit

to the community as a whole. In parliament, both grievance debates and debate on bills both provide the opportunities for members to present the case of their constituents for more road funds. It is also apparent that such campaigns are vigorously pursued in private with the Minister. While the Minister may be receptive to such pleas, the ultimate success of the parliamentarian will depend on the relationship between the minister and his public service. At the Federal level, even a sympathetic minister is not enough. The Federal minister may be convinced of the value of the M.P.'s cause, and may also secure the support of his department. However he then has to confront the State Minister, who, even if sympathetic, may be opposed by the road authority. As we have seen, the strength of the road authority in its dealings with the State minister in South Australia at least is considerable. All of this makes the role of the parliamentarian in pushing his sectional interests considerably more difficult.

Given the lack of success encountered by parliamentarians in their role of representing interests, it is perhaps not unexpected that special interest groups have had a similar lack of success in their efforts. Roads have been allotted a diminishing proportion of public expenditure and the Federal government, (the target of most campaigns), has lowered its funding in real terms. The most recently announced figures for Federal road funding indicate that roads are to assume even less of a priority in the future, with growth from 1980/81 to 1983/84 averaging less than 8% in money terms. The target of \$900 million in one year which the A.A.A. was calling for in 1980/81 will not be reached in the next five years.²

The problem has not been that interest groups have been denied access to the decision-making process because of the intergovernmental context. As far as overall levels of funding are concerned decisions are made unilaterally. That is, they are not the product of negotiations between levels. Therefore there is no question of interest groups being 'shut out' of the process.

However, the intergovernmental context has not served to advantage interest groups. There are not multiple points ^{where} interest groups can gainfully put pressure. Despite the confusion expressed by the Australian Road Transport Federation regarding government responsibility for roads and the road transport industry,³ it is apparent that as regards the total level of road funding at least, the interest groups have a clear idea that there is only one level of government at which their campaigns should be aimed. With all major roads being paid for by either the State or Federal government, and with States funds being largely drawn from vehicle usage taxes so that increases will come out of the road user's pockets, the Federal government has come to be the focus of lobby activity. While the separation of powers that Totten Anderson spoke of does encourage lobbyists to approach a number of points within a sphere of government, it is apparent that the States and local government are only approached in an effort to enlist their support in the Federally-orientated campaign.

Most of the interest groups surveyed have a general interest in roads as a whole. Though there may be a differing emphasis on local as against arterial, or urban as against inter-city roads, generally the aim is a single-minded one of simply more money for roads. Because of this, the study has been unable to highlight the advantages that the

intergovernmental context presents to those groups (such as urban freight carriers), whose interests are confined to certain types of roads. The exception has been local government. It has been shown here that its efforts to ensure more money for local roads involves approaches to both the State and the Federal governments. A group such as the Farmers and Stockowners Association also has the opportunity to press its case for rural as against urban roads at both the Federal and State level.

In a sense though, this advantage is illusory. Having two levels of government making decisions regarding the proportions of total funds available to certain types of roads may simply double the lobbying efforts necessary to see that one's case is heard. One may convince the Federal government that a high proportion of its funds should go to a certain category, but then there is a need to do the same thing at the State level to ensure that the State government does not skew its funding to compensate for the change in Federal policy. Even if the State government does not skew its funding, it also has to be approached if the interest group is to ensure that satisfactory proportion of all funds is allocated to the desired category. If the Federal and State governments contribute equally to roads, convincing one level is only half the job.

Interest groups also face the problem of 'buck passing'. Shared responsibility means that one government can claim that its efforts are hampered by restricted funding from above, while the other level can claim that the blame for the apportionment of funding lies with the priorities of the lower level government. The politician will use the confusion to avoid blame. Diligent research may enable the interest group to disentangle the situation, though it is common even for the Federal government to be confused.* This need not stop the politician

from exploiting any doubt to publicly distance himself from criticism.

The major difficulty highlighted by the study was the way in which the federal system obliged the interest groups to adopt a multi-tiered structure for their own organization. For most of the interest groups discussed, the capability of the federal body has not matched its responsibilities.

Both the Australian Council of Local Government Associations and the Australian Automobile Association are federated bodies in the sense that their membership consists exclusively of the various regional bodies. Unlike the Australian Road Federation and the Australian Road Transport Federation there is no 'grass roots' membership and so no power base independent of the regional organizations. They are mere secretariats and inadequately-staffed secretariats at that. Despite this, they have the burden of undertaking the bulk of the lobbying for road funding because the Federal government has become practically the sole target of interest group campaigns.

While the A.C.L.G.A. and the A.A.A. have handled the problem of inadequate resources to some extent by utilizing the manpower and facilities of their constituent bodies, a more fundamental weakness

* This was apparent during a dispute between the Federal and Victorian Minister for Transport in 1978 over funding for local roads. Acting on advice from his department, the Federal minister accused his State counterpart of denying earmarked funds from the Federal government to local government and delayed payments of grants to the State. (See Commonwealth Record, 31 July to 6 August 1978, p. 992). Payments were resumed when it was realized that the department's advice was incorrect.

has not been avoided. Both organizations are hampered by being very much under the control of the several regional interests, and so decisions need the concurrence of each of the regional bodies. If unanimity or near unanimity is not reached, decisions are simply not made. Many of the decisions that are made reflect the need for compromise.

The structure of the Australian Road Federation and the Australian Road Transport Federation does allow for national as well as regional 'grass roots' membership, and as a consequence the central bodies are not dominated by their regional constituents. However, while they are not so concerned with differences of interests based on territorial factors, they face problems at least as large because of their attempt to represent such a broad range of interests that any policies adopted run the real risk of offending members. However these problems have not been caused by the need to match the Federal structure of government. The A.R.T.F., which has seen the most serious conflicts of interest, is after all a national body. The conflicts have been largely between national members. While the membership of the State constituent bodies does give them a different interest base from that of the national body, (if the latter can be said to have a coherent interest base), any resultant divisions between the national body and the regions are overshadowed by disputes between the nationally-based members.

Also, the experience of the owner-drivers suggests that a federal structure may be necessary even where there is no federal system of government. Because they are scattered throughout Australia's cities and country towns, at least one major owner-driver organization has structured itself on the basis of regions that are significantly smaller in area than the States. Obviously some devolution of power to

subnational units of government would be necessary whatever Australia's governmental system.

The study has shown that both the arguments for and against the intrusion of political influence lack validity as regards the politically-neutralizing effect of long-term grants. Road grants to the States are generally made on a three year basis. In the past, five years was the practice. When changes of government have occurred during a grant period, amending legislation to change the spirit of the original enabling legislation has not been passed. Incoming governments have been content to wait until the grant period has lapsed before changing the conditions.

The study of Federal grants has supported the point noted in the introduction that while prudence may affect the total amount committed in grants for a future period, it need have no effect on the actual composition of that grant. The three year grant period has been seen by the Federal government as not so long that there is a danger of the over-subscription of any particular category of road. The backlog of warranted projects in all categories pointed to by the advisory bureaux has given governments any justification they may have needed to generously endow certain types of roads. When given their chance to alter the conditions ^{at the end of a grant period,} incoming governments have had no compunction in making wholesale changes, and on occasion have justified themselves by claiming to redress an imbalance caused by the previous government.

When presenting the argument in favour of the neutralizing effect of long-term grants, the vagaries of political ideology and interests were referred to. These have not been apparent in the roads study.

While demands for expenditure on particular roads or roads in a relatively small geographical area may subside once they have been satisfied, broad categories such as urban roads, rural roads, arterial roads and local roads retain a persistence that lasts well beyond the period covered by the legislation. One change was noted, and this was the case of urban arterial roads, including freeways. It is apparent that during this period the enthusiasm for such roads waned considerably amongst politicians during the funding period of the 1969 legislation. The new cautiousness was reflected in the 1974 legislation. However, because the funding period was too short, (and because the change in attitude has remained), this does not provide a case in which the length of the funding period has provided a consistency in policy that has over-ridden short-term changes in community attitude.

Finally, it should be noted that the question of the effect of long-term funding has no relevance in the case of State government grants to local authorities. These are for one year only and very often constraints imposed by time are caused by the length of time to complete a project. That is, it is common for a single project needing funding over several years to be completed.

One subject which received attention in the introduction, but which has not been dealt with specifically in the following chapters was that of cross-cutting lines of conflict. It was suggested that conflict between the Federal government and the States blurs conflict on party-political lines.

Conflict between the States and Federal government has been observed in the study of road funding. Furthermore, this conflict has

cut across party lines. State ministers in particular see their role of representing the State as being more important than their position as partisan colleagues of the Federal minister. An entertaining example of this is the reported telephone exchange that took place between the South Australian Minister for Transport, (Mr. Virgo, Labor) and his Federal counterpart, (Mr. Jones, Labor) after the proposed 1974 legislation became known:

"If you think that we are going to let you tell us how much money we have to raise and how we are going to spend it even down to the local government level, you had better have another [expletive deleted] think about it. I tell you straight Charlie this is not on."⁴

It will be remembered that the Liberal premier of Victoria was among those criticising the coalition government's 1977 legislation for the way it ignored C.B.R. advice. Also, the A.T.A.C. meeting held in Darwin in July, 1978 broke up over a dispute between the States and the Commonwealth over alternative sources of road revenue, when all the States walked out irrespective of party.

In the above incident which crossed party lines Mr. Virgo's stance against Mr. Jones flew in the face of Labor's policy of strengthening central control over grants to the States. It could be argued that the Victorian Premier's criticisms of the proportion of Federal money going to rural areas also confounded expectations based on his government's reliance on rural support. The difficulty of getting politicians to accept their party's policy when it is to their own disadvantage is well known; the most notorious example being the New South Wales Labor government's inability to persuade its party members in the upper house to vote for a bill abolishing that house in 1959. It appears that when intergovernmental relations involve a threat to the power and independence of one level ^{of} government that level will place more

importance on its existence than on political ideology.

Intergovernmental relations may override ideology, but they do not pose the same threat to partisan interests. The Victorian example was mentioned, but it should be pointed out that even here, the State government was far more metropolitan based than its Federal counterpart. No cases have been found of a State Labor government criticizing a Federal Labor government's urban bias, and the Victorian example is the only case of a Liberal or coalition State government criticizing a Federal coalition government's rural bias. The effect of cross cutting lines of conflict on political interests (as distinct from ideology) is not apparent. Although each State may have a similar bundle of rural and urban, manufacturing, mining and agricultural interests, bosses and workers, our system of representative government ensures that the slight difference in balance between these interests will result in governments that are far more heterogeneous than the States they govern.

The study of the payments granted for roads produced different pictures at the Federal and at the State level. Both the Liberal/Country Party and the Labor Federal governments were unrestrained by the advisory bureaux in their pursuit of political expediency. The categorization of grants between types of roads was particularly skewed by governments for political ends. The division of the grant between the States followed the professional advice much more closely, although both parties favoured Western Australia slightly. The bipartisan favouring of that State indicates that political expediency is not always party political. The history of Urban Arterial (freeway) grants also demonstrates the way that governments of either political persuasion will bow to perceived popular opinion by departing from professional advice.

Political expediency was not evident in the study of grants by the South Australian government to local authorities. No evidence was produced to suggest that the Minister uses road grants either to bolster his own seat or to influence the voting pattern in marginal seats. Once again, however, the grants may be subject to influences which, although non-partisan, may be described as political. The very desire to be seen to treat every region of the State fairly, for example, may induce a division of grants not on the basis of need, economic efficiency or even fairness. Rather, steps will be taken to ensure that no region "misses out"; that all receive about the same as usual.

The general picture which emerges in the study of road grants is of a process in which there are multiple sources of influence. No one participant holds a dominant position. Such a finding may suggest a pluralist model of decision-making. However it would be wrong to assume from such a model that the various participants have equality of influence. While some participants are intimately involved in the determination of grants, others have a role more akin to that of an onlooker.

Neither should it be assumed that influence on one aspect of the process will extend to all aspects. For example, the Federal government reserves to itself the right to determine the overall amounts that will be available for road grants. Yet despite the 'power of the purse' and its constitutional authority, it has compromised both on projects nominated and on conditions imposed. The 1980 roads legislation reduced the number of categories to three, and so the Federal government has reduced its ability to direct funds to specific purposes, e.g. rural rather than urban local roads. This is a real concession for which the States have been pushing for several years.

The Federal Minister has been able to impose categories on the States, but they have not been troubled unduly because they have their own resources with which to redress any perceived imbalances. We have noted, however, that conflict may arise over the funding of local roads in the future because the States cannot lower much further the already nominal amounts they provide in local road grants from their own sources. Opposition from the States also arises over National Road projects as the States are reluctant to commit their own funds to a category that is supposed to be the full responsibility of the Federal government. In the conflict that has arisen over whether priority should be given to the Stuart or Dukes Highways, we have seen that the Highways Department has had its own way.

Press releases by the Federal minister have on a number of occasions given the impression that the States have the final say on which projects are to be funded. While this is part of an effort to avoid responsibility for unpopular decisions over priorities, conversations with Transport Australia officials indicate that the

Federal Government cannot automatically expect to be able to fund these projects it wishes to. Federal officials have been keen to point to flaws in the enabling legislation to explain why the government is handicapped in its efforts to control the direction of grants. While the Minister has the power to nominate which projects are to be funded, he cannot say how much is to be spent on them. The States can fulfill their obligation by spending a nominal amount on research. What is not explained is why subsequent legislation has been framed in this way.

The pattern of the donor having to compromise with the recipient does not apply with respect to State grants to local government. Here the donor exercises much greater freedom to direct grants as it sees fit. The South Australian government is generally consistent in the division of grants between its regions, but unfortunately for the councils grants to individual authorities fluctuate at the discretion of the Highways Department. Within the constraints imposed by Federal legislation, the State government is able to direct funds to different councils in any proportions it sees fit.

The State government has considerable authority even within individual council areas. Although generally following the preferences expressed by the local council, there have been many occasions on which it has reordered priorities or substituted its own projects in place of those nominated.

The States do not seem concerned by the matching amounts the Federal government imposes on them. The quotas are used as convenient excuses to raise the level of taxation on vehicle ownership and usage. The States have been pressured by the Federal government to pass on a

substantial part of the Federal grant for local roads to councils, but as this amount has traditionally been supplemented by funds from their own resources, the States have the discretionary ability to determine what level of grants will be made to local government.

The most important pressures on local authorities for road expenditure are from constituency interests. Also there is the understanding that levels of expenditure from its own resources must be reasonable before a council can expect a grant from the State government. Although in the position of being able to exercise real discretion in the degree to which it uses general revenue for road purposes, local government has not been the subject of campaigns by road lobby groups. This is partly because of the belief that local government is already well aware of the need for adequate road expenditure. Also because it is composed of very many units of government, the local level offers a target too scattered for concerted campaigns.

The relative influence of the minister and his department differs between the Federal and State levels. The Federal minister exercises his authority on matters of road grants, particularly in matters concerned with the amounts going to categories. For reasons mentioned earlier in this chapter, this study has avoided analysis of individual projects. However Transport Australia officials have indicated that in such conflicts, the Federal Minister has been defending political interests and has not been acting on the advice of his department. The administrative role has been largely confined to advising what form the legislation shall take and ensuring that government policy and the provisions of the legislation are adhered to.

The situation is quite different at the State level. In South Australia the Highways Department is very actively involved in determining how grants should be distributed, particularly regarding individual projects. The department, however, is subject to broad guidelines from the Minister. The low level of grants to urban councils until the early seventies is an example of this. The Minister may also exercise his authority over major projects. Popular concern and pressure from the Federal and Western Australian governments caused the Minister to divert resources to seal the Eyre Highway before the Highways Department thought it was warranted. However, in a current similar case the Minister has adhered to departmental advice by pressing on with upgrading the Dukes Highway before sealing the Stuart Highway.

The situation at the local level is too diverse for general comments to be made. Very often it can depend on the personalities and relative experience of the Clerk, the Engineer and the members of the Council. Having said this, the possibility that the Highways Department will reject priorities it perceives as resulting from political pressure must strengthen the hand of the administrators.

We have seen then, that the relative influence of the three tiers does not follow the pattern of constitutional authority. Nor is the pattern consistent. In the case of Federal-State grants, the donor needs to compromise. In the case of State local grants this is much less the case. A similar lack of consistency applies with regard to relative influence within tiers. At one level the Minister dominates. At the other he does not. To explain all of this, it is necessary to go beyond the generalized discussion of the introductory chapter.

Aldrich has identified four types of resources available to organizations.⁵ These are funds, personnel, information, and products and services. In our context "products and services" has been interpreted to mean the actual ability to carry out the services and/or produce the products for which the funds are designed.

If the possession of these resources is seen as determining the nature of relations between organizations, the pattern of relative influence we have observed is explicable. The Federal government does not hold sway in its relationships with the States because it possesses only one resource: money. Through their road authorities the States are much better endowed in terms of expertise, basic data about road conditions and the actual ability to carry out road programs. They also have an independent source of funds.

The existence of these resources also underlays the relationship between the States and local government. In South Australia at least, the State government has its position of influence because it has all four of the resources identified by Aldrich. Through the Regional Engineer and his staff, the State road authority has the local knowledge, the expertise and the plant and manpower to match the councils. Add to this its position as the funding level of government and it is not difficult to see why the State government can disregard council preferences if it wishes to do so.

The possession of the non-monetary resources can also help to explain the relative influence of the Minister and his department. The existence of a Highways fund, consisting of earmarked taxes and Federal grants reduces ^{the} Transport Minister's ability to control the level of

funding on roads. The Minister is heavily reliant on the road authority for technical information and advice. Being the construction authority for 90% of the funds the Minister has available, the road authority is also vital in the implementation of programs. While this does not apply with respect to grants to councils, the climate is created in which the Minister finds it very difficult to override Departmental advice.

The situation is different in the Federal sphere. The level of grants is completely subject to the discretion of the Minister of Transport and the Cabinet. Not being a construction authority, Transport Australia lacks the resources to be much more than a compliant agent of ministerial desires.

Obviously the relationship between the minister and his department is not only dependent on ministerial competence. Over twenty five years the relationship between the Highways Department and its minister appears to have been unchanged despite the incumbency of a number of ministers of varied ability. Here, resources available are more likely to determine the association between minister and department. What gives the non-monetary resources the impact they have is the fact that the roads portfolio tends to be project orientated rather than policy orientated. Road funding involves hundreds of projects, each involving evaluation and planning. Their execution may also impose logistical constraints on decision-making. All of this enhances the influence of the road authority over the minister. A minister is more likely to control a policy oriented portfolio when the decisions that need to be made are fewer and less reliant on masses of information and technical expertise. Of course policy is not absent from the roads portfolio; the Minister can and does impose guidelines. The non-funding of urban councils in the

fifties and sixties is an example. Nevertheless the climate created by the project orientation increases the autonomy of the Department and is likely to discourage the imposition of such guidelines.

Such considerations also have an effect on intergovernmental relations. The Federal minister is likely to face the opposition of both the State minister and the State road authority. Even if the Federal minister has the agreement of his State counterpart, he also has to overcome the objections of the road authority when pushing favoured projects.

We have observed that, while the road grants process can be seen in terms of a pluralist model, there are marked inequalities in the sharing of influence. The degree of influence can be explained in terms of the resources possessed. The lack of impact on the part of the legislation and interest groups can also be explained by the lack of these resources.

The legislature's peripheral position in the road grants stems from the paucity of almost all the resources that have been discussed. Theoretically it does control the funds; it has the ability to reject road grant programs at will. However, as long as the final vote remains under the control of the executive, this ability remains only theoretical. We have noted only one occasion when the Senate used its numbers to amend a road grants bill. This was in 1974. Even here, convention prevented it altering the schedules, despite its being the target of a great deal of criticism. Neither the Federal nor State parliaments have the resources in terms of research staff to perform a role as watchdog over expenditure. No parliamentary subcommittees

scrutinize the grants. Parliament's main role appears to be as a vehicle for publicizing grievances or alleged wrong-doings. Because of the selective nature of its audience, it is probably more effective with grievances. Partisan or constituency interests may take note to ensure that their particular cause is pushed, either in the House or in dealings between members and ministers, but because the community as a whole takes little notice, parliament has little power to ensure that grants are made in the interests of the community as a whole. Charges of pork-barrelling made in the House can be met with a contemptuous smile by the minister concerned.⁶

Private interest groups lack all of the resources identified by Aldrich. They have no control of the funds required for roads. None have the research staff necessary to enable their opinions to carry weight, particularly on the grounds of economic rationality and technical expertise. They are dependent on government sources for the bulk of their information. Apart from some members of the Australian Road Federation, they play no physical part in the actual construction of roads and so their cooperation is not a necessary part of the road funding process. Even for A.R.F. members this resources provides little leverage. Aldrich has pointed out that an important determinant of the effectiveness of resources is whether they are unique or not.⁷ The contractors who are A.R.F. members, however, have competitors in the market who are all too willing to take their place.

Although the application of Aldrich's analysis^{is} illuminating, it cannot adequately explain a number of the features which have been observed. Also the explanations it offers may serve to conceal other factors of equal or greater relevance.

Perhaps the most obvious weakness is the non-explanation of the minister's influence. Of course this influence stems from the authority of office. It may be argued that such authority is inherent in the resources Aldrich discusses. Benson has argued that Aldrich's four resources can be distilled to the two most fundamental: money and the legitimacy to conduct activities.⁸ The authority of office possessed by the Minister is his legitimacy to direct grants in whatever manner he sees fit. This legitimacy exists as long as it has public approval. The experience of the Victorian railways demonstrates that if public disapproval of ministerial action is strong enough, the authority of office may be removed, i.e. the administration and policy making may be placed in the hands of an independent authority.

The study of Commonwealth road grants demonstrated the way in which the C.B.R. steadily lost influence over the government. This was despite its expertise and growing store of knowledge. The basis of the C.B.R.'s early influence was the simple fact that its creation was an expensive business, and that the government which was responsible for its existence could not be seen to ignore it. The government had an interest in maintaining its authority and prestige. The incoming Labor government largely followed bureau advice because it was publicly committed to the view that independent professional bodies were a valuable source of advice, and because the C.B.R.'s recommendations largely coincided with Labor's intentions anyway. By the time the 1977 legislation was brought down, the C.B.R. had ceased to exist. It had no status to be upheld by the government and so was ignored with impunity.

In order to monitor the conditions it imposed on grants, the Federal Labor government in 1974 created the Roads Division within the

(then) Department of Transport. The establishment of this division presumably would provide the Federal government with growing resources in terms of expertise and information. Why then have the States been able to reverse the trend of the early seventies by reducing the conditions imposed on them in the 1980 legislation?

The growing independence of the States from Commonwealth control is typical of changes in the pattern of federal relationships generally that have occurred in the latter half of the nineteen seventies. In many areas, but most notably in the cases of coastal waters legislation, mineral export controls and aboriginals, the States have asserted their independence from Canberra. Why they have been able to do^{so}, is a topic worthy of a major study in itself, but the major resource exploited by the States has been the anti-centralist feelings of the voters. Premiers in the peripheral States have been able to act aggressively toward the Federal government because it is politically popular for them to do so. Conversely, the Federal government has been unwilling to assert its powers, even when it has the undoubted legal authority to do so.⁹

Like the other private interest groups, the truck owner-drivers are poor in terms of the resources we have discussed. And yet they were dramatically successful in imposing their demands at the time of the April 1979 road blockages. They employed another resource that has not yet been discussed - the ability to use force. It is significant that this use met with considerable popular approval. A survey carried out by Australian Public Opinion Polls in the following July found that 52% of respondents expressed sympathy with the owner-drivers - a figure far higher than for any other industrial action of that period.¹⁰ It is plausible to suggest that the owner-drivers would have been less

likely to achieve success without this support.

While the lack of success on the part of interest groups has been explained in terms of the resources identified, this explanation is unsatisfactory to some extent. Aldrich did not devise his typology with interest groups in mind and so neglects other factors of greater importance. Many successful lobbying campaigns are undertaken despite the interest groups lacking all of the recognized resources. The relative success of local government in its campaigns to secure a greater proportion of Federal grants is not due to its use of local knowledge and expertise, or role in the carrying out of road projects.

Resources which determine the strength of special interest groups include numbers, wealth, access to key positions, social contacts, consonance with prevailing norms and the internal characteristics of the organization.¹¹ The Australian Council of Local Government Associations has been able to exploit the large number of local authorities to place pressure on the government. However, in the best known use of this, (the campaign to prevent the abolition of the C.B.R.), it failed, and the more likely factor in its successful efforts to gain a larger share of road grants is the fact that its arguments were consonant with the prevailing norms. The Liberal/Country party government which attained office in 1975 recognized that Federal funding of local government was politically popular. For this reason its 'New Federalism' policy pledged that the local council would be "no longer the poor relation of government". It promised to continue many of the previous government's funding initiatives.¹² The skewing of road funds to local roads is part of this policy.

These examples demonstrate that Aldrich's resources are not the only ones which determine relative influence in the public policy process. Obviously information and expertise became more important the closer the process approximates an idealized situation in which decisions are made on the basis of rationality, efficiency, fairness and need. Australian politics and administration approximates this to a degree. To the extent that they do not, other factors become important. In each of the "errant" cases discussed: the authority of the minister, the declining influence of the C.B.R., the changing pattern of Federal-State relations, the road blockades and the ability of local government to attract funds, there has been a key factor. This has been the existence of popular approval, or at least a lack of popular disapproval. In the Australian public policy process this is the ultimate resource.

The applicability of the case study to intergovernmental funding in general

"Individual case studies tend to be isolated and unique, each look at different issues, using different methods, and asking different questions. This makes comparison extremely difficult... Case studies have a tendency not to focus on the 'normal' but on the unique, exotic or important, so insights gained from them may actually be misleading."¹³

These problems have been raised by Richard Simeon. Obviously the researcher using the case study method must establish how applicable his findings are to the field as a whole, and point out which features of the study are sui generis.

Federal grants

Even if the survey were restricted to the Federal level there is still enormous variety in the arrangements under which payments to the States and local government are made. Perhaps the only feature they have in common is that they all have their basis in legislation passed by the Federal parliament.

The budget paper, Payments to or for the States, the Northern Territory and Local Government Authorities details amounts the Federal government distributes to the States. Some of this is passed on to local government. In 1979/80 the Federal government made payments to the States for forty seven separate programs for recurrent purposes and for forty six for capital purposes. Excluding amounts to be passed on to local government as part of the tax sharing policy, these amounted to nearly four and a half billion dollars.¹⁴ Roads, at \$546 million, or 12% of the total, is easily the most important item of capital expenditure but is well behind education (\$1757.4 million) and health (\$1193.4 million), when recurrent items are included. These are by far the most important areas of specific purpose payments, accounting for over three quarters of the total. The next most important are housing items (\$260 million) and welfare, (\$78.4 million). The rest are miscellaneous programs, only three of which exceed \$20 million. Most of them represent specific short term projects being undertaken by the Federal government. "Water Hyacinth Control", "Bundaberg Irrigation Works" and "assistance for Chrysotile Corporation" are examples. In this sense they can be compared with road projects, which are also highly specific and short term.

Specific purpose grants to the States are themselves only a small

proportion of total Federal grants. When funds earmarked for general purposes by local government are excluded from the list of specific purpose grants, this list comprises only 41% of grants to the States.¹⁵ Most grants are not earmarked and are distributed through the Australian and various State Grants Commission. As these commissions are independent bodies and because of their extensive use of formulae in determining grants, we do not have the situation in which there are likely to be disputes between governments over individual projects.

The Federal government's relative lack of expertise that we have witnessed is a fairly common feature of the intergovernmental process. Though the roads example is the most extreme, in most areas subject to specific purpose funding the Federal government is reliant on the States for information upon which to base decisions. The State education authorities are actively involved both formally and informally in the preparation of Schools Commission recommendations regarding programmes into which education funds should be channelled. Apart from the case of non-government schools, the State education authorities are left to decide how the money should be spent within these programmes.¹⁶ General purpose recurrent grants for institutions for technical and further education are determined by means of a formula, and the disbursement of the funds is left to the discretion of the States. Although projects receiving capital grants are determined by the T.E.C., the desired priorities of the States are taken into account. Also, recommendations by the Tertiary Education Commission regarding Colleges of Advanced Education are only made after consultation with the State authorities.¹⁷ Funds to universities alone appear to have no State involvement. The bulk of Federal health grants are directed to the running of the public hospitals. These are maintained on a fifty/fifty

basis. Given this policy framework, the need for technical expertise or specialized knowledge to determine grants is not relevant. The other important subject of health grants is the community health program. The cost of this is shared equally between the Federal and State governments and it is left to the States to decide how the money should be spent. The road grants process can also be seen as representative of the more minor specific purpose payments, which are generally for projects nominated by the States.

Among specific purpose payments road grants are unusual because of the important role of local government. The involvement of all three tiers of government introduces a triangular situation in which "alliances" may be encouraged. Although making road grants less representative of specific purpose grants in general, this was regarded as a desirable feature when the choice of subject matter was made, as it provides a new dimension to the study without disguising the essentially dyadic relationships to be found in the case of most specific purpose grants.

The features which have made the Federal government reliant on the States are likely also to increase departmental influence over the minister. However, it has been noted that in the case of road funding this influence does not extend to determining how large the cake should be; only to how it should be cut up. This applies to the field of education as well. Both the Tertiary Education Commission and the Schools Commission have to work within funding guidelines imposed by the Federal government, and both of the commissions have had the C.B.R.'s experience of having recommendations on the level of funding rejected. The ultimate decisions^{as} to how much of the budget should be directed to

roads or education (or whatever), is firmly in political hands.

The existence of a professional bureau to advise on road grants is not an uncommon feature of Federal grants. We have noted that the Tertiary Education Commission and the Schools Commission are themselves only advisory bodies. Health and welfare provisions, while not benefitting from the advice of a professional organization, are often subject to ad hoc inquiries. The other major areas of specific purpose grants may also benefit from the advice of professional bureaux. In 1979/80 these were transport other than roads (\$55.1 million) and agricultural programs (\$75.9 million).¹⁸ The B.T.E. could be called upon to advise on the former; the Bureau of Agricultural Economics on the latter.

Roads have been subject to less parliamentary scrutiny than the other major areas of Federal grants. Education, welfare and health matters have all received the specific attention of special Senate committees. However, the financial decisions contained in the legislation have been left untouched by parliament. This is due to the convention that financial measures may be criticized or even delayed but not be refused unless reprehensible circumstance occur. This convention applies at both State and Federal levels.

Generally the enabling legislation covers long-term periods. Education, particularly recurrent grants, is generally funded on a three year rolling program, although the government has intervened to alter the terms in the course of a program. Health measures are in a state of flux and changes in policy have been frequent. However, most changes in the health field have concerned health insurance and have been outside the

intergovernmental context. Social security grants are usually subsidies provided for under open ended legislation. For example, Senior Citizens centres, home care, paramedical services and deserted wives are all funded under legislation passed in the late nineteen sixties.¹⁹

Another common feature which road grants share with other areas is that the recipients are commonly public bodies and consequently public bodies are active as special interest groups. Education in particular exhibits this pattern, with groups such as the Australian Teachers Federation and the Australian Council of State School Organizations actively campaigning for more funds. However, because such a large part of the grants for education, health and welfare is for recurrent purposes and is not project-oriented, it is unlikely that major geographically defined divisions will occur within these groups.

Two other important features of road interest groups - their adoption of a federal structure and their concentration on the Federal government - are common to other groups. In fact, Roger Scott notes:

"On any issue involving the expenditure of large sums of money - and this means most issues - the attitude of the federal government can be a crucial constraint on the freedom of policy-matters. Because of this, the major pressure groups concerned with economic activity...have developed a federal structure and have been forced to concentrate many of their resources on Canberra rather than at state level."²⁰

Scott also discusses the incorporation of interest groups into the administrative structure - a feature we have observed when discussing the Transport Industries Advisory Council. One feature referred to by Scott but which was not apparent in the case study was the concentration by interest groups on the administrative element. He quotes a well-known professional lobbyist, Peter Cullen:

"In general, the target of the lobbyist is the vast network of bureaucrats, Parliamentary officers and aides in ministerial offices who serve the making of decisions. There is no term which adequately covers this sprawling conglomerate of decision-makers."²¹

The special interests observed in the roads study have preferred to concentrate on the political level, with both members of parliament and Ministers being the focus of campaigns. Given the ultimate importance of the politician in deciding how much is to be spent on roads, this is perhaps not surprising.

State grants

In 1978/79 almost half of the South Australian government's payments to its local authorities consisted of untied grants passed on from the Commonwealth through the Federal and State grants commissions. Roads are the most important form of specific purpose payments. The \$6.6 million granted in 1978/79 was 38% of earmarked grants. The largest of the rest were; unemployment relief (\$3.6 million), urban stormwater drainage (\$1.7 million), library grants (\$1.25 million), sporting and recreation (\$1 million), and urban effluent drainage (\$0.9 million). Together, these formed 86.5% of specific purpose grants.²²

Perhaps the first point to be noted when discussing specific purpose grants is that the Highways Department administers almost half of them. As well as roads it is also responsible for urban stormwater drainage and bicycle tracks (\$2,000).

A comparison of road grants with the other major specific purpose grants will also reveal a number of similarities. They are predominantly project orientated. Funds are generally for a multiplicity of small projects. Rarely are the grants for recurrent purposes. From this we

can expect that a similar situation will prevail as in the case of roads; that is, bureaucratic advice will be heavily relied upon to determine the merit of individual projects. The State government policy is for a dollar for dollar subsidy to help pay for the establishment of public libraries. Presumably, Libraries Board consideration of the merits of projects is not so relevant, though even library grants are often for nominated projects.²³ As well as enhancing the role of the public servant the project orientation of grants will also encourage an active role for the local authority. Unlike recurrent grants, where the local council is simply involved on a take it or leave it basis, grants for projects involves the council in the nomination, planning, as well as execution of the purpose for which funds are earmarked.

However, the degree of control over road grants exercised by the State authority is fairly typical of State grants generally. Projects for urban stormwater grants are often initiated by the Highways Department in an effort to overcome problems where drainage systems need to cover two or more local areas. In effect the department plays an entrepreneurial role, employing the resources of the local authority to construct and maintain larger drainage schemes.²⁴ Many more applications for urban effluent drainage grants are received than are actually funded and so the Urban Effluent Drainage Committee needs to exercise a great deal of discretion when recommending projects to be funded. Officers of the Health Commission assess projects on the basis of criteria such as the possibility of pollution, financial need, availability of supplementary sources of finance. The Health Commission also carries out the relevant design work and has a supervisory role in construction.²⁵

As with road grants, decisions on projects to be funded under the State Unemployment Relief Scheme (since lapsed) were the subject of negotiation between the relevant State government department and the local authority. In this case the department concerned was the Department of Labour and Industry. Beside the potential of a project to employ local labour, the department considered factors such as the level of unemployment in particular areas, the capacity of the local council to undertake the project, whether the project would generate continuing employment, whether the benefits of the proposed project would extend beyond the local area and if there were other sources of funds which could be tapped by the council when undertaking the project. Occasionally the council's priorities were overruled if the Department considered they did not score well on these criteria.²⁶ Local influence over projects funded for sport and recreation purposes is qualified by the State government's need to reconcile the wishes of State-based sporting organizations. Also, of course, the State government will take into account the proximity of similar facilities when deciding upon major items.²⁷

The Libraries Board is very active in overseeing library grants. Before approving grants for the establishment of libraries it must satisfy itself that the size and type of the library, as well as its staffing arrangements, are all adequate. It also advises on siting and size of buildings and the type of collection to be maintained. Books are provided centrally, remain the property of the Libraries Board and are liable to be recalled by the State Library. Local libraries may also participate in a scheme whereby they accept a "package" of 600 paperbacks, for which they pay half the price. Once again, the books are purchased centrally, but this time they became the property of the local

library.

It appears that the minimal involvement of parliament in the road grants process also reflects the general situation. In only one instance is the grant subject to special legislation. Grants to councils for libraries are authorized under the Libraries (subsidies) Act., This Act, which sets the terms for library grants, does not need periodic renewal and so does not provide an opportunity to question the terms of the arrangements. Although large amounts are often involved, they do not come under the scrutiny of the parliamentary Public Works Committee because the work is actually carried out by the local authority. Informants on the subject of State grants have all noted the relative lack of interest taken by the local members of parliament, who usually becomes involved only if pressured to do so by the local authority. This was reported to be so even in the case of the State Unemployment Relief Scheme, which stands in contrast to the earlier Federally-funded Regional Employment Development Scheme.²⁸ The earlier scheme inspired a great deal of interest in the local member of parliament, particularly as Federal MPs were routinely notified by the government of grants to councils in their electorates.

Given the heterogeneity of intergovernmental grants, road funding is as typical an example as one could obtain. Many of its features are generalizable to other specific purpose grants. The only feature that stands out as unusual in the roads example is the involvement of all three levels of government in the process.

If anything, the Federal government seems to have less power over the expenditure of funds in the other major areas of funding that it has

in the case of roads. In all areas it is reliant on the expertise of the States. The limit of Federal control is its ability to require that the funding be according to certain guidelines and within certain (usually broad), categories, such as technical and further education, nursing homes, etc. In fact, from a casual glance at the other areas of specific purpose funding, it would appear that roads would involve the most detailed specifications and those most open to political influence. Generally the Federal government has little control over projects and institutions funded.

From this it can be presumed that the interest of Federal members of parliament in obtaining funds for their constituencies will be less than has been seen in the roads field. On the other hand, the 'watchdog' interest of parliament (as seen in parliamentary committee), appears to be greater in other areas of funding than it does in roads, though it never directly vetoes or alters amounts proposed to be granted.

While advisory bodies, specific or permanent, are a common feature of Federal specific purpose grants, in all cases the executive maintains and exercises its discretion in accepting or rejecting the advice it receives. The politicians remain firmly in control of their policy.

In this process, political influence appears to be minimal. Even in the case of unemployment relief grants, members of parliament have little part to play. The executive is content to let the process be contained at the administrative level. Decisions are made on a technical, not political, basis.

Although further comparative research would be necessary before

confidant conclusions could be made, it would appear that in the grants process in general, political influence is strong at the Federal level and (in South Australia at least), weak at the State level. The influence of parliament is weak at both levels. To say this should not imply that decisions made at State level are necessarily 'superior' to those made in Canberra, or that the lack of parliamentary influence is to be applauded.

The failure of parliament to scrutinize the way road grants are distributed is an inadequacy that needs to be remedied. It could also be argued the Westminster System relies on individual parliamentarians being able to present their constituencies' demands to the executive and having these demands met with administrative action. Simply because parliamentarians appear far keener to push their constituents' interests than to assess the overall community's interests, it does not follow that their influence is mischievous. This would be to decry the important role of the parliamentarian in bringing to the government's attention the concerns of those he represents. It is this role that is the traditional mechanism of ensuring that the decisions made by the government are responsive to the needs and wishes of the people they serve. Similarly the opinions expressed by politicians should not be dismissed simply because they may not be clothed in the garb of value-free research:

"There is nothing odd or distressing in politicians basing their decisions on a value judgement. One of the reasons why it is better to be governed by politicians than by civil servants is that civil servants are apt to disguise their value judgements as judgements of fact. Politicians are slightly more honest about bringing this out into the open."²⁹

In any case a great deal of ministerial input into the policy-making process is not on behalf of constituency interests. Interference may be in order to implement policy that had been promised

at a recent election. The Liberal/Country party governments' policy of favouring local roads is an example of this. If such a policy was not justified on economic or equitable grounds it was up to the Opposition to point this out, using the information provided by the C.B.R. If a government is elected on the basis of proclaimed policies, it has a responsibility to carry these out. To routinely fail to do so when it is pointed out that such policies are not justified on objective grounds is to hold the political process in contempt.

At other times the minister may interfere in response to locally-expressed grievances. This commonly occurs to prevent the bureaucracy from doing something against the perceived interests of those affected. Sometimes such interference may be contrary to a greater interest of the community as a whole. It is for the politician to judge whether or not it is.

The ultimate discretion retained by the executive over the overall amounts spent is necessary if the political process is to be meaningful. Public servants and other advisors may point out warranted expenditure levels for various areas, and may even advise on priorities between areas. However a basic tenet of responsible government is that an identifiable body, open to recall by the electors, must accept liability for the way public money is spent.

Ultimately the issue boils down to rule by technocrats or rule by politicians. The arguments presented above assume a properly functioning pluralist model of government, where the people knew best where the shoe rubs and their views are accurately reflected by their elected representatives. To the extent that the political process falls short of

this ideal, technocratic influence may be necessary. Nobody would argue that even in the best working pluralist system, articulation and satisfaction of communities demands are ^{not} haphazard and that resultant decisions are always fair. But on the other hand nobody would argue that the paternalistic technocrat is always right, particularly when deciding overall amounts to be spent.

Perhaps two features stand out in the brief look at the interest groups. The first we have observed in the roads study: the adoption by interest groups of a federal structure. From this we can propose that all such groups will encounter the problems and handicaps that were discussed in chapter four. The other noticeable feature is the prominence of government funded bodies as interest groups, particularly in the education and welfare areas. This we have also noticed in the roads study with the active stance taken by the Highways Department and local government. The position of publically -funded bodies as lobbyists is an interesting and widespread feature of public policy making, and yet which has received little attention in the literature.

In South Australia road grants are the most important form of specific purpose payments and their leading position sets the pattern for the other grants. The very size of the proportion administered by the Highways Department - almost half - would automatically suggest that road funding is the most likely form of grant from which generalizations could be made.

Once again the same features recur. Funding is project-oriented, a factor that strengthens administrative influence. In all major fields the active participants in the process are the State bureaucracy and the

local authority. Generally the local authority nominates projects to be funded, while the bureaucracy maintains a firm discretionary role in agreeing to or amending proposed programs.

Obviously the pragmatic approach is to favour a mixture of political and technocratic influence, with the balance between the two being ^edetermined by the degree to which each lives up to its ideal. However it has long been noted that competent and fair government is only one of the standards by which a democracy should be measured.

"Democracy does not give the people the most skilful government but it produces what the ablest of governments are frequently unable to create: namely, an all-pervading and restless activity, a super abundant force, and an energy which is inseparable from it and which may, however unfavourable the circumstances may be, produce wonders."³⁰

Given this, perhaps we should be tolerant of the shortcomings of political control.

FOOTNOTES

1. C.B.R., 1973 Report, paras. 12.5, 12.6, 12.7
2. Commonwealth Record, 23-29 June, 1980, pp. 927-8.
3. This complaint was made in a submission to the C.B.R. in 1975. See its 1975 Report, vol. II, p. 229.
4. Quoted, APD, House of Representatives, vol. 90, p. 1147 (25 August 1974).
5. Howard Aldrich, "An Organization - Environment Perspective on Cooperation and Conflict Between Organizations in the Manpower Planning System", in A. Negandhi (ed.), Conflict and Power in Complex Organizations, Centre for Business and Economic Research, Kent State University, Kent (Ohio), 1972, p. 15.
6. APD, House of Representatives, vol. 98, p. 1524 (8 April, 1976).
7. Aldrich, op.cit., p. 15.
8. J. Kenneth Benson, "The Interorganizational Network as Political Economy", Administrative Science Quarterly, vol. 20, June 1975, p. 232.
9. On the coastal waters issue, see (1974) 134 CLR, 1975, 374-5 and The National Times, 11-17 May 1980, p. 3.
10. The Advertiser, 25 July 1979.
11. The list is Robert Dahl's. Cited, Roger Scott, "Conclusions: Interest Groups and the Australian Political Process" in Roger Scott (ed.) Interest Groups and Public Policy, MacMillan, Melbourne, 1980, p. 229.
12. The Liberal Party of Australia, The New Government Policies, Hacquara, Canberra, n.d. (c. 1976), p. 49.
13. Simeon, quoted Scott, op.cit., p.224.
14. These and following figures are from Australian Treasury, Budget Paper no. 7, 1979/80, table 110.
15. For an explanation of the tax sharing arrangements, see Australian Treasury, Budget Paper no. 7, 1978/79, pp. 9-22.
16. Personal communication, Ms. Joan Munro (Schools Commission, South Australian Region), 12 February 1981.
17. Parliament of the Commonwealth of Australia, Funding of Tertiary Education, statement by the Tertiary Education Commission to the Joint Committee of Public Accounts, A.G.P.S., Canberra, 1979, p. 211.
18. Australian Treasury, Budget Paper no. 7, 1979/80, table 110.
19. Australian Treasury, Budget Paper no. 7, 1978/79, pp. 52-53.

20. Scott, op.cit., p. 235.
21. Quoted, ibid., p. 239.
22. ABS (S.A. Office), South Australian Year Book no. 15: 1980. ABS, Adelaide, 1980, p. 550-1.
23. Information regarding State grants for libraries has been obtained from Libraries Board of South Australia, Local Public Libraries in South Australia, Libraries Board of South Australia, Adelaide, 1976.
24. Personal communication, Mr. D. Kernick, Drainage Section, Highways Department, 23 February 1981.
25. Personal communication, Mr. W. Garrett, Secretary, Urban Effluent Drainage Committee, 26 February, 1981.
26. Personal communication, Mr. W. Bean, Administrative Officer, State Unemployment Relief Scheme, Department of Labour and Industry, 23 February, 1981.
27. Personal communication, Mr. Bruce Marriot, Outside Recreation Officer, Division of Recreation and Sport, 18 February, 1981.
28. There have been allegations of use made of State Unemployment Relief Grants for political purposes, though there has been little or no evidence produced in their support. See SAPD, 1979/80, p. 346 and pp. 348-9 (24 October 1979).
29. David Marquand, "A War of Ideologies", New Society 17, 18 February 1971, p. 271. Quoted, Peter Wilenski, "Political Problems of Administrative Responsibility and Reform", Australian Journal of Public Administration, vol. XXXVII (4), December 1979, p. 352.
30. Alexis de Tocqueville, Democracy in America, Albert Knopf, New York, 1953, vol. 1, p. 251.

APPENDIX A

National Association of Australian State Road Authorities

SIXTY THIRD MEETING

OF THE

NATIONAL ASSOCIATION OF

AUSTRALIAN STATE ROAD AUTHORITIES

To be held in

MELBOURNE

at the Offices at the

Country Roads Board, Victoria at

KEW

on 6th May, 1980

AGENDA

National Association of Australian State Road Authorities

TABLE OF CONTENTS

<u>Item No</u>	<u>Title</u>	<u>Page No.</u>
1.	Opening and Domestic Arrangements	1
2.	International Organisations and Conferences	2
3.	Federal Legislation	4
	3.1 Commonwealth Grants Commission	4
	3.2 Federal Road Grants Legislation	4
4.	State Roads Legislation	6
	4.1 Legislative Changes	6
	4.2 Report by SAC on Motor Vehicle Registration and Insurance Costs	7
5.	Australian Development Assistance Courses	8
6.	National Highways - Construction and Maintenance Standards	9
7.	ACVP* - Report on Activities	11
8.	Road Vehicle Limits	12
	8.1 Implementation of ERVL study Recommendations	12
	8.2 Specialised Vehicles	14
	8.3 Operation of Large Combination Vehicles (Road Trains)	16
	8.4 Weighing of Vehicles	17
9.	NAASRA Data Bank System	18
10.	Road Surveys	20
	10.1 BTE Assessment Reports	20

* Australian Committee for Vehicle Performance

	10.2	NAASRA Roads Study	21
11.		Construction Price Indices	24
	11.1	SRA Price Indices	24
	11.2	BTE Road Construction Price Index	24
12.		Functional Classification of Roads	26
13.		Route Marking Systems	28
14.		MITERS Projects	29
15.		Traffic Signals (Left-Turn-On-Red)	30
16.		Linemarking - Identification of Lines Dividing Opposing Lanes of Traffic	31
17.		Full Scale Pavement Testing	32
18.		NAASRA Study of Road Maintenance Standards, Costing and Management	34
19.		Meeting of Training Officers	36
20.		Planning Committee (PC)	38
21.		Negotiations with Telecom	40
22.		Analysis of Staff Employed	42
23.		ACEA - Terms of Engagement	43
24.		The Role of Roads in the Movement of People and Goods	44
25.		NAASRA Publications	45
	25.1	"Australian Road Review"	45
	25.2	Review of NAASRA Publication System	45
26.		NAASRA Publicity Film	47
27.		Enquiry into Technological Change	48
28.		NAASRA Secretariat and Administration	49
	28.1	Cost of Operation of Secretariat	49
	28.2	Allowances for Secretariat Staff	50
	28.3	Appointment of Engineer-Secretary	50
29.		ATAC Road Group	51

National Association of Australian State Road Authorities

SCHEDULE OF APPENDICES

<u>Appendix No.</u>	<u>Item No.</u>	<u>Title</u>
1	2	Workshop on Road Research and Information for South-East Asia
2	2	International Organisations and Conferences - Information concerning the IRF IXth World Meeting
3	2	International Organisations and Conferences - Information concerning PIARC, REAAA or other organisations
4	3.1	Commonwealth Grants Commission - Letter from E/Sec to Grants Commission
5	4.1	State Roads Legislation - Advice summarising Legislative Changes
6	4.2	Report by SAC on Motor Vehicle Registration (Licence) Fees and Third Party Insurance Costs
7	6	National Highways - Construction and Maintenance Standards - Report by PTC
8	7	ACVP - Report on Activities - Report from the NAASRA rep (Mr. A.M. Noble, CRB Vic)
9	7	ACVP - Report on Activities - Letter from Chairman ACVP on Dynamic Criteria for Vehicle Suspension Systems and E/Sec's reply
10	8.1	Implementation of ERVL Study Recommendations - Further Report by the Convenor of the Task Group (Mr. R.A. Pearson, CRB Vic)
11	8.2	Specialised Vehicles - Report from the Special Task Group Regarding its recommendations
12	8.2	Specialised Vehicles - Report on the Movement of Prefabricated (Transportable) Buildings
13	8.3	Operation of Large Combination Vehicles (Road Trains)
14	8.4	Weighing of Vehicles - Report by DMR T
15	8.4	Weighing of Vehicles - Report by Mr. Pearson on the Tasmanian problems
16	8.4	Weighing of Vehicles - Further report by Mr. R.A. Pearson on problems related to Weighing of Vehicles and calibration of Loadometers

17	10.2	NAASRA Roads Study - Position Paper prepared by PC
18	10.2	NAASRA Roads Study - Report from PTC following Special (April 1980) PC Meeting
19	11.1	SRA Price Indices - Further (annual) report from APG on movements
20	11.2	Seminar on BTE Road Price Index - Final Report by ARRB (Mr. T.R.L. Thoresen)
21	12	Functional Classification of Roads - Letter from ASsistant Director Planning and Technology, BTE
21A	14	MITERS Projects - Comments by Members provided for Circulation
22	15	Traffic Signals - (Left-Turn-On-Red) - Progress Report
23	16	Linemarking - Dividing Lines - Advice from ED ARRB
24	16	Linemarking - Dividing Lines - report by PTC on Research by ARRB
25	18	Road Maintenance Study - Report from the Steering Committee following its final meeting held in Sydney on 13th and 14th March, 1980.
26	20	Program of Future Work - Framework for Ongoing Work
27	21	Negotiations with Telecom - Further advice from the Joint Sub-Committee (Convenor - Dr. K.G. Moody, CRB Vic)
28	22	Analysis of Staff Employed -Sub-Committee's report
29	24	The Role of Roads in the Movement of People and Goods - Summary of advice from December, 1979 meeting
30	24	The Role of Roads in the Movement of People and Goods - Summary of advice and recommendations from April 1980 meeting
31	24	The Role of Roads in the Movement of People and Goods - Schedule of Brochures
32	25.2	Review of the NAASRA Publication System - Report by E/Sec
33	26	NAASRA Publicity Film - Members Comments on the ARTBA Film
34	27	Enquiry into Technological Change - Submission by DoT (1979)

- 35 28.1 NAASRA Secretariat and Administration - Report by
E/Sec on revised 1979/80 costs and estimated
costs for 1980/81
- 36 28.2 Allowances for Secretariat Staff - Report by
E/Sec on suggested figures for reviewed
allowances for 1980/81

National Association of Australian State Road Authorities

SIXTY-THIRD MEETING

MELBOURNE

on 6th May, 1980

REPRESENTATIVES OF MEMBER AUTHORITIES PRESENT

DEPARTMENT OF MAIN ROADS,

Mr. B.J. Sexton, B.E., F.I.E.
Aust., F.C.I.T.,
Commissioner for Main Roads.

COUNTRY ROADS BOARD,
VICTORIA

Mr. T.H. Russell, B.C.E. (Hons.),
M.Eng. Sc., (Hons.), Dip CE,
C.E., F.I.E. Aust., F.C.I.T.,
Chairman.

Mr. W.S. Brake, B.C.E., C.E.,
M.I.E., Aust.,
Deputy Chairman.

Mr. N.L. Allanson, A.A.S.A.
(Senior),
Board Member.

MAINS ROADS DEPARTMENT
QUEENSLAND

Mr. W.J. Cock, Dip. C.E., M.I.E.
Aust., A.F.A.I.M.,
Commission of Main Roads.

HIGHWAYS DEPARTMENT,
SOUTH AUSTRALIA

Mr. A.K. Johnke, B.E., F.S.A.S.M.,
F.I.E. (Aust.), F.C.I.T.,
C.H.T. (Yale), M.ASCE., F.A.I.M.,
Commissioner of Highways.

MAIN ROADS DEPARTMENT,
WESTERN AUSTRALIA

Mr. D.H. Aitken, I.S.O., B.E.,
F.I.E. Aust., F.A.I.M., F.C.I.T.,
Commissioner of Main Roads.

DEPARTMENT OF MAIN ROADS
TASMANIA

Mr. G.E.C. McKercher, B.E., M.I.E.,
Aust.,
Director of Main Roads

NORTHERN TERRITORY,
DEPARTMENT OF TRANSPORT
AND WORKS

Mr. D.F. Darben, Dip. C.E., M.I.E.
Aust.,
Secretary.

COMMONWEALTH DEPARTMENT
OF HOUSING & CONSTRUCTION

Mr. K.J. Rodda, OBE, E.D., B.C.E.
(Hons.), F.I.E. Aust.,
Acting Secretary & Director General
of Works.

The Meeting was attended by Dr. M.G. Lay, Executive Director, ARRB, during discussion of Items 1 to 20, by Mr. N.A. Waslin, First Assistant Secretary (Roads), DoT during Items 1 to 4 and 6 to 18 and by Mr. G.K.R. Reid, Deputy Director, BTE during Items 1 to 4 and 6 to 12.

APPENDIX BTRANSPORT INDUSTRIES ADVISORY COUNCILAS AT 1/10/79CHAIRMAN

- 1 Mr. S.M.F. Martin,
 Executive Assistant to
 The Chairman,
 The Broken Hill Proprietary Co. Ltd.,
MELBOURNE. VIC. 3001

DEPUTY CHAIRMAN

- 2 Mr. L.E. Marks,
 Executive Director (Transport),
 Brambles Holdings Ltd.,
 27th Floor,
 B.H.P. House,
 140 William Street,
MELBOURNE. Vic. 3001

MEMBERS

- 3 Dr. H.F. Bell, O.B.E.,
 Economic Adviser,
 A.M.P. Society,
 G.P.O. Box 4134,
SYDNEY. N.S.W. 2001
- 4 Mr. J.M. Bleasel,
 Director,
 National Materials Handling Bureau,
 105 Delhi Road,
NORTH RYDE. N.S.W. 2113
- 5 Mr. M. Borzi, O.B.E.,
 Chairman,
 Cairns Harbour Board,
 36 Atherton Street,
MAREEBA. QLD. 4880
- 6 Mr. M.J. Campbell
 Managing Director,
 Hopewell's Transport
 P.O. Box 200,
PUNCHBOWL. N.S.W. 2196

- 7 Mr. A. Carmichael, C.B.E.,
22 Milner Crescent,
WOLLSTONECRAFT. N.S.W. 2065
- 8 Mr. A.C. Clarson,
Chief Manager,
Shipping Group,
CSR Limited,
G.P.O. Box 438,
SYDNEY. N.S.W. 2001
- 9 Mr. D.J. Cowan,
General Manager,
Marine Board of Devonport,
P.O. Box 478,
DEVONPORT TAS. 7310
- 10 Mr. D.F. Darben,
Secretary,
Department of Transport & Works,
DARWIN. N.T. 5790
- 11 Mr. R.W. Davies,
First Assistant Secretary,
Transport and Storage,
Department of Administrative Services,
CAGA Centre,
Akuna Street,
CANBERRA CITY. A.C.T. 2601
- 12 Mr. W.A. Dick,
Chairman,
C.E. Heath Underwriting and Insurance
(Aust) Pty Ltd,
33rd Level, B.H.P. Building,
140 William Street,
MELBOURNE. VIC. 3000
- 13 Mr. W.P. Egan,
Executive Director,
Mayne Nickless Ltd.,
G.P.O. Box 1671N,
MELBOURNE. VIC. 3001
- 14 Mr. A.W. Elliott,
Director,
William Charlick Ltd.,
G.P.O. Box 1098,
ADELAIDE S.A. 5001

- 15 Mr. C.H. Fitzgibbon,
 General Secretary,
 Waterside Workers Federation
 of Australia,
 P.O. Box 344,
HAYMARKET N.S.W. 2000
- 16 Mr. W.F. Franklin,
 Corporate Secretary and
 Finance Manager,
 Ansett Transport Industries Ltd.,
 P.O. Box 362F,
MELBOURNE VIC. 3001
- 17 Mr. W.K. Hicks,
 Managing Director,
 W.G. Hicks Pty. Ltd.,
 562 City Road,
SOUTH MELBOURNE. VIC. 3000
- 18 Mr. I. Hodgson,
 Federal Secretary,
 Transport Workers' Union
 of Australia,
 17/25 Lygon Street,
CARLTON. VIC. 3053
- 19 Mr. A.K. Johnke,
 Commissioner,
 Highways Dept. of South Australia,
 33 Warwick Street,
WALKERVILLE S.A. 5081
- 20 Mr. D.M. Kendell,
 Managing Director,
 Premier Aviation Pty. Ltd.,
 43 Tompson Street,
WAGGA WAGGA N.S.W. 2650
- 21 Professor H.M. Kolsen,
 Faculty of Economics,
 University of Queensland,
 (direct line).
ST. LUCIA QLD. 4067

- 22 Mr. W.I. McCullough,
Commissioner,

Westrail,
P.O. Box S1422
PERTH. W.A. 6001.
- 23 Mr. A.S. Mayne,

Chairman,
Melbourne Harbour Trust Commissioners,
P.O. Box 22339T,
MELBOURNE VIC. 3001
- 24 Mr. P.I. Nolan,
Federal Secretary,
Australian Council of Trade Unions,
254 La Trobe Street,
MELBOURNE VIC. 3000
- 25 Mr. H.J. O'Regan,
Chief Executive Director,
A.C.T.A. Pty. Ltd.,
G.P.O. Box 4006,
SYDNEY N.S.W. 2001
- 26 Mr. A. Pedder,
Acting Transport Commissioner,
Transport Commission,
1 Collins Street,
HOBART. TAS. 7000
- 27 Mr. A.S. Reiher,
81 Stanhope Road,
KILLARA. N.S.W. 2071
- 28 Mr. J.G. Riley, O.B.E.,
Managing Director,
East West Airlines Ltd.,
19th Level,
323-339 Castlereagh Street,
SYDNEY. N.S.W. 2000
- 29 Mr. K.M. Seeney,
Commissioner for Transport,
Department of Transport,
G.P.O. Box 817,
BRISBANE. QLD. 4001.
- 30 Mr. G.A. Shea,
Chairman,
Metropolitan Passenger Transport Trust,
10 Adelaide Terrace,
PERTH. W.A. 6000

- 31 Mr. A.F.J. Smith, C.B.E.,
139 Seaforth Crescent,
SEAFORTH N.S.W. 2092
- 32 Mr. W.J. Solloway,
General Manager,
RAC of WA (Inc),
228 Adelaide Terrace,
PERTH. W.A. 6000
- 33 Mr. R.C. Taylor,
General Secretary,
Australian Railways Union,
337 Sussex Street,
SYDNEY. N.S.W. 2000
- 34 Mr. E.J. Williamson,
Federal Secretary,
Association of Australian Flight
Engineers,
Suite 2,
182 Anzac Parade,
KENSINGTON. N.S.W. 2033
- 35 Mr. J.F. Wilding,
General Manager,
Supply and Manufacturing,
Shell Australia Ltd.,
G.P.O. Box 872K,
MELBOURNE VIC. 3001
- 36 Mr. H.S. Williams, O.B.E.,
Chairman and Managing Director,
Bush Pilots Airways Ltd.,
P.O. Box 1381,
CAIRNS. QLD. 4870
- 37 Mr. R. Yates,
Deputy General Manager,
QANTAS Airways Ltd.,
QANTAS House,
70 Hunter Street,
SYDNEY. N.S.W. 2000

EXECUTIVE MEMBER

- 38 Mr. C.W. Freeland,
Deputy Secretary (Policy and Planning),
Department of Transport,
P.O. Box 367,
CANBERRA CITY. A.C.T. 2601

DIRECTOR

39 Mr. G.F. James,
Director,
T.I.A.C.,
Department of Transport,
P.O. Box 367,
CANBERRA CITY. A.C.T. 2601

(062) 473333

Transport Industries Advisory Council

Functions and Organisation

The Transport Industries Advisory Council (TIAC) was formed as a result of a unanimous recommendation of the first Australian Transport Conference held in March 1971. It began as a surface transport group and became fully representative of all modes of transport in November 1974 when representatives of the air transport industry joined the Council.

TIAC provides a medium for direct access between the transport industry and the Commonwealth Minister for Transport. Its functions are to provide advice and comment to the Minister on policy issues affecting the transport industry as well as recommendations on how to improve Australia's transport systems.

Membership of TIAC currently stands at 33. Members are drawn from senior management in all modes of the transport industry, major transport users, government and semi government bodies and unions. They are appointed by the Minister on the basis of their individual expertise in transport matters.

New members are appointed annually and serve on the Council for an extendable term of three years. In this way a roll-over of membership is achieved and continuity in expertise is maintained.

The full Council and Executive Committee generally meet four times a year. The Council operates through three Working Committees which each meet up to eight times a year. Special or Ad Hoc meetings, which usually cover specific topics, can be called throughout the year.

The current Executive Committee consists of eight members as follows:-

Chairman ex officio	Mr. S.M.F. Martin	B.H.P. Co. Ltd.
Deputy Chairman	Mr. L.E. Marks	Brambles Holdings Ltd.
Chairman, Working Committee No. 1	Mr. A.F.J. Smith, CBE	Retired (formerly Australian Shippers' Council)
Chairman, Working Committee No. 2	Mr. W.P. Egan	Mayne Nickless Ltd.
Chairman, Working Committee No. 3	Mr. G.A. Shea	Metropolitan Passenger Transport Trust, W.A.
Air transport Representative	Mr. J.G. Riley	East-West Airlines Ltd.
Economist	Dr. H.F. Bell	A.M.P. Society

Executive Member

Mr. C.W. Freeland

Deputy Secretary
(Policy & Planning)
Department of Transport

Current topics under consideration include:

Container Handling

- study of movement of goods from the wharf face to ships.

Identification of Real Transport Costs

- breakdown of various costs to the transport industry

Airport Curfews

- effect of curfews at airports, especially Sydney airport, on air transport.

Transportation of Dangerous Goods

- standardisation of vehicles involved in transportation of dangerous goods by road and rail.

National Transport Strategy

- study of the needs of the transport and associated industries, as possible input to an overall national transport policy.

International Air Freight

- a study of the problems confronting the freight forwarding industry in the present structure of air freight.

Vehicle Utilisation

- further study of the loss occurring due to the less than optimum use of transport equipment for the movement of freight in the metropolitan area.

New Topics

- Impact of Technological change in the transport industry
- Strategic Implications of Transport
- Research into the percentage of GNP attributable to the Transport Industry
- the Social Services Component implicit in Public Transport.

BIBLIOGRAPHY

Theses, Monographs, Books.

- R.G.S. Brown and D.R. Steel, The Administrative Process in Britain, Methuen, London, 1970 (1st ed.) and 1979 (2nd ed.).
- Neal Blewett and Dean Jaensch, Playford to Dunstan: The Politics of Transition, Cheshire, Melbourne, 1971.
- R.M. Burns et. al., Political and Administrative Federalism, C.R.F.F.R. research monograph no. 14, C.R.F.F.R. (Australian National University), Canberra, 1976.
- Francis G. Castles, Pressure groups and political culture: a comparative study, Routledge and Kegan Paul, London, 1967.
- Alexis de Tocqueville, Democracy in America, (2 vols.), Albert Knopf, New York, 1953.
- Maurice Duverger, Party Politics and Pressure Groups: A Comparative Introduction (translated by David Wagner) Crewell, New York, 1972.
- David J. Elkins and Richard Simeon (eds.), Small Worlds: Provinces and Parties in Canadian Political Life, Methuen, Toronto, 1980.
- Hugh Emy, The Politics of Australian Democracy: Fundamentals in Dispute 2nd ed., MacMillan, Melbourne, 1978.
- Murray Endelman, The Symbolic Uses of Politics, University of Illinois Press, Urbana, 1974.
- S.E. Finer, Anonymous Empire: A Study of the Lobby in Great Britain Pall Mall Press, London, 1966.
- C. Forster (ed.), Australian Economic Development in the Twentieth Century, Allen and Unwin, London, 1970.
- Graham Freudenberg, A Certain Grandeur: Gough Whitlam in Politics, MacMillan, Melbourne, 1977.
- Frank J. Goodnow, Politics and Administration, Russell and Russell, New York, 1967.

Bruce Heady, British Cabinet Ministers: the Roles of Politicians in Executive Office, Allen and Unwin, 1974.

R. Hetherington and R.L. Reid, The South Australian Elections, 1969 Rigby, Adelaide, 1962.

Michael Hill, The Sociology of Public Administration, Crane, Russack and Co., New York, 1972.

Jean Holmes and Campbell Sherman, The Australian Federal System, Allen and Unwin, Sydney, 1977.

Colin A. Hughes (ed.), Readings in Australian Government, University of Queensland Press, St. Lucia (Queensland), 1968.

Dean Jaensch (ed.), The Politics of "New Federalism" Australian Political Studies Association, Adelaide, 1977.

Peter Kellner and Lord Crowther-Hunt, The Civil Servant: An Inquiry into Britain's Ruling Class, MacDonald and Jones, London, 1980.

Richard Heald Leach, Interstate Relations in Australia, University of Kentucky Press, Lexington, 1965.

Albert Lapawsky, Administration, Albert Knopf, New York, 1952.

Russell Mathews, Australian Federalism 1977, C.R.F.F.R., Canberra, 1978.

- (ed.), Intergovernmental Relations in Australia, Angus and Robertson, Melbourne, 1974.

- (ed.), Making Federalism Work, C.R.F.F.R., Canberra, 1976.

Henry Mayer and Helen Nelson (eds.), Australian Politics: A Fifth Reader Longman, Cheshire, Melbourne, 1980.

J. Peter Meekison (ed.), Canadian Federalism: Myth or Reality, 2nd ed., Methuen, Toronto, 1971; 3rd ed., Methuen, Toronto, 1977.

Charles Edward Merriam, The New Democracy and the New Despotism, McGraw-Hill, New York, 1939.

- A. Negandhi (ed.), Conflict and Power in Complex Organizations, Centre for Business and Economic Research, Kent State University, Kent (Ohio), 1972.
- J.E. Richardson, Patterns of Australian Federalism, C.R.F.F.R. research monograph no. 1, C.R.F.F.R., Canberra, 1973.
- Roger Scott (ed.), Interest Groups and Public Policy: Case Studies from the Australian States, MacMillan, Melbourne, 1980.
- Peter Self, Administrative Theories and Politics, 2nd ed., Allen and Unwin, London, 1977.
- Campbell Sharman, The Premiers' Conference: An Essay in Federal State Interaction, Department of Political Science, Australian National University, Occasional Paper No. 13, Canberra, 1977.
- Richard Simeon, Federal-Provincial Diplomacy, University of Toronto Press, Toronto, 1972.
- Richard Schultz, "Federalism, Bureaucracy and Public Policy: A Case Study in the Making of Transportation Policy", unpublished Ph.D. thesis, York University, 1976.
- Richard N. Spann et. al., Public Administration in Australia, New South Wales Government Printer, Sydney, 1975.
- Ronald L. Watts, Administration in Federal Systems, Hutchison Educational, London, 1970.
- G.R. Webb and J.C. McMaster, Australian Transport Economics: A Reader, Australian and New Zealand Book Co., Sydney, 1975.
- Max Weber, From Max Weber: Essays in Sociology, translated and edited by H.H. Gerth and C. Wright Mills, Kegan Paul, London, 1947.

Official Report and Publications

i. Commonwealth

- R.H. Burke, A History of Commonwealth Legislation to Roads and Transport 1900-1972, Bureau of Transport Economics Occasional Paper No. 8, A.G.P.S., Canberra, 1977.
- A Road Construction Price Index Bureau of Transport Economics Occasional Paper No. 27, A.G.P.S., Canberra, 1978.

C.C. Halton "The Australian Department of Transport", unpublished address to the Royal Institute of Public Administration Conference, November 1975.

Sir David Hay, Report of the Independent Inquiry into Representation for Long Distance Owner-Drivers, (Australian Department of Transport), Canberra, 1980.

Australian Parliamentary Debates (before 1973 entitled Commonwealth of Australia Parliamentary Debates), A.G.P.S., Canberra.

Australian Government Publishing Service, Commonwealth Record, A.G.P.S., Canberra.

Parliament of the Commonwealth of Australia, Funding of Tertiary Education - A Statement by the Tertiary Education Commission to the Joint Committee of Public Accounts, A.G.P.S., Canberra, 1979.

Review of the Continuing Expenditure Policies of the Previous Government, A.G.P.S., Canberra, 1973.

Commonwealth Bureau of Roads, Report on Commonwealth Financial Assistance to the States for Roads - 1969, C.B.R., 1969,
- Report on Roads in Australia - 1973, C.B.R., 1973,
- Report on Roads in Australia - 1973, (two vols.), C.B.R., 1975.

Royal Commission on Australian Government Administration Report (Dr. H.C. Coombs, Chairman), with appendices (4 vols.), A.G.P.S., Canberra, 1976.

Taxation Review Committee (Asprey Committee), Full Report, A.G.P.S., Canberra, 1975.

Transport Industries Advisory Council, Functions and Organisation (unpublished).

Australian Department of Transport, Annual Report 1979/80, A.G.P.S., Canberra, 1980.

Bureau of Transport Economics, An Assessment of the Australian Road System: 1979, (two vols.), A.G.P.S., Canberra, 1979.

Australian Treasury, Budget Speech and Statements (Budget Paper no. 1), Canberra, A.G.P.S.
- Estimates of Receipts and Summary of Expenditure 1979/80 (Budget Paper No. 4), A.G.P.S., Canberra, 1980.
- Payments To or For the States, the Northern Territory and Local Government Authorities (Budget Paper No. 7), A.G.P.S.

Australian Bureau of Statistics (prior to 1973, the Commonwealth Bureau of Census and Statistics), Australian Municipal Information System A.B.S., Canberra.

- Government Financial Estimates Australia 1979-80, A.B.S. Canberra, 1980.
- Overseas Trade Statistics - Customs Tariffs (consolidated Schedules) 1978-79 (microfiche)
- Taxation Revenue, Australia 1978-79 A.B.S., Canberra, 1980.
- Official Year Book, A.B.S., Canberra.
- (S.A. Office) South Australian Year Book, no. 15: 1980, A.B.S., Adelaide, 1980.

ii. Other

South Australia, Highways Department Annual Report.

- The South Australian Governments Responsibilities with Respect to Roads, 1979 (unpublished).

T. Higinbotham "Report on South Australian Railways" South Australian Parliamentary Papers, 1979 vol. IV, no. 154.

Libraries Board of South Australia, Local Public Libraries in South Australia, Libraries Board of South Australia, Adelaide, 1976.

Victorian Municipal Association, Australian Municipal Journal, September 1976.

National Association of Australian State Road Authorities, Australia Roads Australian Roads N.A.A.S.R.A., Sydney, 1978.

South Australian Parliamentary Debates

Australian Transport Advisory Council, History of Commonwealth - State Cooperation in Transport: Fiftieth meeting of the Australian Transport Advisory Council, A.G.P.S., Canberra, 1977.

South Australia, Treasury Details of Estimates of Expenditure of the South Australian Government, S.A. Parliamentary Paper No. 9.

Other organizations.

Australian Automobile Association, Background Notes on the A.A.A. (not published), 1979.

Australian Road Transport Federation (S.A. Region) Annual Report 1978.

The Liberal Party of Australia, The New Government Policies, Hacquara, Canberra, n.d. (c. 1976).

Journal Articles

Totten Anderson, "Pressure Groups and Intergovernmental Relations", Annals of the American Academy of Political and Social Science, Vol. 159 (May 1965), p.116-126.

A.G. Gibbs, "Railway Management in Victoria with some Related Comments on South Australia", Royal Institute of Public Administration (S.A. Regional Group). Bulletin no. 3 (December 1975).

J. Kenneth Benson, "The Interorganizational Networks as Political Economy", Administrative Science Quarterly, vol. 20, June 1975, pp. 229-249.

M. Grodzins, "American Political Parties and the American System", Western Political Quarterly, vo. XIII (December 1960), pp. 974-998.

Lewis A. Gunn, "Ministers and Civil Servants: Changes in Whitehall", Public Administration (Australia) vol. XXVI (i), March 1967, pp.78-94.

R. Mathews, "Innovations and Developments in Australian Federalism", Publius: the Journal of Federalism Vol. 7 (3), Summer 1977, pp. 9-19.

- "Issues in Australian Federalism", Economic Papers, no. 58, March 1978, pp. 1-31.

R. Simeon, "Intergovernmental Relations and Challenges to Canadian Federalism", Canadian Public Administration, Vol.23 (i), Spring, 1980, pp.14-32.

P. Wilenski, "Political Problems of Administrative Responsibility and Reform", Australian Journal of Public Administration, Vol. XXXVIII (4), December 1979, pp. 347-360.

K. Wiltshire, "Working with intergovernmental agreements - the Canadian and Australian Experience", Canadian Public Administration, vol. 23 (3), Fall 1980, pp. 353-379.

Newspapers, magazines.

The Advertiser

The Australian

The Australian Financial Review

The Brisbane Courier-Mail

The National Times

South Australian Motor

The Sunday Advertiser

The Sydney Morning Herald

The Open Road

Truckin' Life

The West Australian