

## **History of Commonwealth Government Legislation Relating to Roads and Road Transport 1900 - 1972**

### **Occasional Paper**

The Bureau of Transport Economics and the former Commonwealth Bureau of Roads have examined the historical background to their work both from the point of view of precedent and legal interpretation of responsibilities of government. It is considered that this paper may provide assistance to the study of State/Commonwealth relations with special reference to roads and road transport.

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OCCASIONAL PAPER NO. 8

HISTORY OF COMMONWEALTH GOVERNMENT  
LEGISLATION RELATING TO ROADS AND  
ROAD TRANSPORT. 1900 - 1972

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## FOREWORD

The Bureau of Transport Economics and the former Commonwealth Bureau of Roads have examined in the course of their investigations the historical background to their work both from the point of view of precedent and legal interpretation of responsibilities of government. It is considered that this paper may provide assistance to the study of State/Commonwealth relations with special reference to roads and road transport.

The paper discusses the Commonwealth Government participation in roads and road transport up till 1972. It finds that the Commonwealth from a period of no participation has become involved in road activities in the States to a substantial degree by exercising its financial powers under section 96 of the Australian Constitution. The only direct responsibility for roads and road transport under the Constitution relates to those activities in the Commonwealth Territories.

The discussion does not continue after 1972 since this period saw a marked and rapid change in State/Commonwealth political and financial arrangements. The complexity of these new arrangements including the evolvement of fiscal federalism is considered to warrant a separate discussion paper.

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October, 1977

HISTORY OF AUSTRALIAN GOVERNMENT LEGISLATION  
RELATING TO ROADS AND ROAD TRANSPORT

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## INTRODUCTION

Under the Australian Constitution the Commonwealth is not given specific powers for constructing and maintaining roads. By implication and practice it has been assumed in this paper that the states have sole responsibility for constructing and maintaining roads within their political boundaries. Under Section 122 of the Constitution the Australian Government<sup>(1)</sup> is empowered to make laws for any of its territories. Under these powers the Commonwealth is responsible for road activities in the Australian Capital Territory, the Northern Territory and other Commonwealth Territories and for any Commonwealth property within a State.

A similar situation applies to road transport activity. The States have exercised the sole power to legislate controls of road transport as has the Commonwealth with its Territories. However, Section 92 of the Constitution relating to trade within the Commonwealth being free does provide some constraint on fees and charges that can be levied on road transport engaged in interstate trade.

Over the last fifty years, successive Commonwealth Governments have increasingly acknowledged the important role of roads and road transport in economic development. Accordingly, Commonwealth financial grants have been made to the States since 1922 to facilitate the development of roads. These grants have been made in respect of both Australia wide grants such as under Commonwealth Aid Road Legislation, and for specific projects or roads grants such as in the Beef Roads Legislation. The involvement of the Commonwealth has deepened since the original grant to the States was made, to the point where, currently, the Commonwealth provides approximately one-third of all funds spent on roads in Australia.

The history of Commonwealth grants to roads at the Australia wide level can be subdivided into three periods. The first, from 1900 to 1931, was a period during which the responsibilities of the States and the Commonwealth were defined. The second period, from 1931 to 1959, can be viewed as a period during which the Commonwealth Government made few new policy initiatives. The third period, from 1959 to the present, was one in which object of the Commonwealth's participation was to influence the development of an efficient road system. Techniques were developed to measure road needs on engineering and economic criteria, to provide for an efficient expenditure of resources and for the overall economic development of Australia.

This paper has been divided into five parts. The first three parts describe the development of Commonwealth legislation in the three periods mentioned in the previous paragraph. The fourth part sets out the history of legislation pertaining to Commonwealth Government grants other than Commonwealth Aid Road legislation. The fifth part describes the influence of the Commonwealth Government in the area of road transport. In addition, Attachment A summarises details of Commonwealth Aid Road legislation, Attachment B, allocations for roads under Aid Road Acts and comparable legislation and Attachment C covers payments to States for roads under Aid Road and other comparable legislation. Attachment D details payments to States for specific road projects.

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(1) Throughout the text of this paper the term "Commonwealth" refers to the "Australian Government".

## PART 1

### THE DEFINITION OF STATE AND COMMONWEALTH

#### RESPONSIBILITIES IN RELATION TO ROADS, 1900-1931

The Australian Constitution implies that the States have sole responsibility for road construction and maintenance within their boundaries<sup>(2)</sup>. For the first twenty years of Federation there was no Commonwealth influence in this field.

Under Section 96 of the Australian Constitution the Commonwealth is empowered to make grants to the States. In 1922, the Commonwealth Government made a grant to the States for road purposes under the Loan Act (No. 7) of 1922. This action was taken to assist the State governments to alleviate the unemployment situation<sup>(3)</sup>. A grant of \$0.5 million<sup>(4)</sup> was involved, and this was distributed to the States on a per capita basis, fulfilling the expectations in the early years of the Federation that all Commonwealth grants would be distributed on a per capita basis or some approximation to such a basis<sup>(5)</sup>. The Commonwealth imposed certain conditions in its legislation, requiring firstly, that the States match the Commonwealth grant dollar for dollar from their own revenue resources; secondly, that States limit such expenditure to the maintenance of existing highways and district roads outside city areas; and thirdly, that the Commonwealth approve all State expenditure of such monies.

A year later, the Commonwealth Government, aware of and probably influenced by central government participation in road construction in the U.S.A. and Canada, made its first specific grant for road construction with the Main Roads Development Act of 1923. The Act authorised a grant of \$1 million to the States for the purpose of constructing main roads to open up and develop new country areas and at the same time to alleviate unemployment.

This grant was to be matched dollar for dollar by revenue from State sources. The States were asked to specify in advance the roads on which expenditure would be made and expenditure was only allowed on works approved by the Federal Parliament. Construction of the following types of roads was permitted with these funds.

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- (2) The Constitution lists the specific powers of the Commonwealth. Road construction and maintenance is left to the responsibility of the States as part of the undefined residue.
  - (3) Hansard (Commonwealth), House of Representatives, Vol XCIX, page 1080.
  - (4) In this paper all amounts are expressed in \$ Australian.
  - (5) J.A. Maxwell, Commonwealth-State Financial Relations in Australia, (Melbourne University Press), page 2.

- (i) Main roads to open up new country for agricultural, pastoral and mining purposes or to provide access from such areas to railheads;
- (ii) Main trunk roads between important towns, either within a State or between States, where no railways were provided;
- (iii) Arterial roads through country areas where finance to pay for heavy road construction was not available.

The State Auditor-Generals were required to scrutinise the funds expended before the States were reimbursed by the Commonwealth.

In order to meet the needs of transport development of the larger more sparsely populated States, the Commonwealth adopted a weighted distribution formula.<sup>(6)</sup> Ninety-five per cent of the total grant was distributed to the five mainland States on the basis of two-fifths according to State area and three-fifths according to State population. The remaining five per cent of the total grant was allocated to Tasmania. This procedure for the allocation of total Commonwealth grants was followed until 1959.

A grant of \$2 million was made in 1924 to the States with the same conditions as were imposed in the 1923 Act.

The Main Roads Development Act of 1925 increased the allocation of Commonwealth monies to the States to \$3.5 million with similar provisions as in the previous legislation, but with the major change that \$0.5 million was to be spent on the reconditioning and strengthening of existing main roads and this was not required to be matched by State funds.

In order to raise funds to meet Commonwealth matching requirements on roads the States attempted to place a tax on the use of petrol. It was recognised by the States that Section 90 of the Australian Constitution did not enable them to impose import or excise duty on petrol, this being the exclusive right of the Commonwealth. However, it was argued by the States that such revenue collections were a tax on the users of its roads and not on the petrol sales per se. This contention was disputed by the Commonwealth, which contested the action of the States in the High Court.<sup>(7)</sup> It was the decision of this Court that the collection of such revenue constituted an excise duty, and hence, the States were not empowered to levy such a tax.

It would seem that as a result of the High Court action the Commonwealth Government promised a national roads plan which would involve co-operation between the States and the Commonwealth. As a result, the Federal Aid Roads Bill was brought down in the Federal Parliament in 1926. This Act was the first instance of a formal agreement between the Commonwealth and the States relating to roads legislation.

(6) Under the 1922 grant, distributed on a per capita basis, N.S.W. and W.A. received 38.6% and 6.1% of the grant respectively, while in the following year under the weighted distribution formula they received 27.6% and 19.2% respectively.

(7) Commonwealth v South Australia (1926), 38 CLR page 408.



It was stipulated in this Act that the Commonwealth grants were conditional on the State's compliance with the requirement laid out in a schedule attached to the Act. The scheduled form of agreement set out in detail a plan for the construction of roads at the combined expense of State and Commonwealth. These roads, called Federal Aid Roads, fell into the three main classes proscribed under the 1923 Act. In following the specified plan the States were subject to the control of the Commonwealth in respect of the type of roads constructed and financial conditions. Effectively, the Federal Aid Roads Act 1926 formalised the legislation of 1923. The \$4 million annual grant of the Commonwealth was intended to be continued for ten years. The matching provisions were relaxed slightly compared with previous legislation in that the matching ratio was 100 Commonwealth to 75 State.

Under the agreement, a Federal Aid Roads Board was established, comprising all Commonwealth and State Ministers with portfolios related to roads, for the purpose of "discussing any matters in connection with the carrying out the works resulting from the new Act."<sup>(8)</sup>

The Commonwealth obtained the increased finance by raising the duty on petrol, but there was no direct earmarking of duty collections for road works. The gross revenue from customs duty on motor spirit increased from \$0.96 million in 1925-26 to \$3.3 million in 1926-27. Grants were made from Consolidated Revenue for payment into the Aid Roads Trust Fund. The reason for increasing the petrol tax was that it was felt that the increased costs of road works should be borne by road users because they would benefit most.

Prior to the legislation being brought down, several Conferences were held which were attended by both State and Commonwealth representatives. As the result of these Conferences, the Commonwealth believed that the States approved of the plan in principle. However, when the details were released, some State governments objected to the conditions of the specific purpose grant on the grounds that such conditions imposed stringent curbs on the powers of the States. The increased charges on road users, as a result of the Commonwealth's decision to finance its grant by taxing road users, was also strongly opposed by motorists' organisations.

The States felt that, with the detailed restrictions of the Act, their autonomy was being undermined. As a result, the Victorian State Government challenged the validity of the Act. The state held that the conditions constituted an interference with State administration to the extent that the legislation relating to a grant of money would result in the construction of roads coming under Commonwealth law - a matter over which the Commonwealth was assumed to have no power. The High Court of Australia unanimously held that it was a valid enactment under the provisions of Section 96 of the Constitution<sup>(9)</sup>, in that the Commonwealth had the right to impose conditions on grants but that the States retained the right to refuse the grant.

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(8) Federal Aid Roads Act (1926), Schedule, Section 12.

(9) *Victoria v Commonwealth* (1926-7), 39 CLR page 399.

The 1926 Act was superseded by the Federal Aid Roads Act of 1931. Amendments were made primarily because of the difficulty experienced by both the Commonwealth and the States in raising the funds to maintain their commitments. Economic conditions at the onset of the depression caused a sharp decline in all revenue and made it extremely difficult for the Commonwealth to provide such substantial sums for road construction. In addition, conditions of the Act proved too onerous for the States in view of their other commitments.

The 1931 legislation released the Commonwealth from its commitments under the 1926 Act and left the States with greater autonomy with regard to roads. Instead of a fixed allocation of \$4 million, the Commonwealth grant was determined by the yield of a customs duty of 2.08 cents (2½d) per gallon on imported petrol and 1.25 cents (1½d) per gallon on locally refined petrol. The current duties were 5.83 cents (7d) per gallon on imported petrol and 3.33 cents (4d) per gallon on locally refined petrol which remained in force until 1939.

## PART 2

### COMMONWEALTH AID ROAD LEGISLATION 1931-1959

The severe economic hardship of the depression, and the problem of increasing deficits at a time when the principle of a balanced budget was an essential part of government economic thinking, were important factors influencing the Federal Aid Roads Act 1931. The States were no longer required to match the grants. The purposes for which the grants could be used were more broadly defined, which enabled the States to spend the funds on maintenance as well as construction in both metropolitan and rural areas. Further, the federal Aid Roads Board was abolished, eliminating any federal supervision of the States' activities.

The 1931 legislation was subsequently replaced by the Federal Aid Road and Works Act 1937. Its immediate objective was to continue the Roads Act agreement for a further ten years. The provision relating to the allocation of funds to the States for roadworks was maintained. The only important change was the provision of an additional grant (based on the yield of 1.25 cents (1½d) per gallon of petrol) to be used at the discretion of the States on works connected with transport other than roads - there was no consequential increase in petrol tax. This additional grant was subject to the requirement that up to one-twelfth of the amount could, at the Commonwealth's request, be spent on maintenance and repair of roads of approach to or adjoining Commonwealth properties.

In the early 1930's, the size of grants determined by the collections from fuel taxes were similar in amount to the \$4 million per annum granted in the late 1920's. By the outbreak of World War 2, the grants rose to approximately \$9 million per annum as the consumption of fuel increased.

The war had a marked effect on the States' road construction and maintenance programmes. Expenditure on roads was restricted and the construction of roads came practically to a standstill with the exception of those of military significance. In such cases roadwork was financed from the defence budget. Petrol was rationed and as a result, Commonwealth grants to the States for roads fell as low as \$2,968,000 in 1943 compared with \$9 million in 1939.

The Commonwealth Aid Roads and Works Act 1947 did not involve the Commonwealth entering into an agreement with the States as had been the case since 1926. There was a return to the practice adopted between 1922 and 1925 of simply granting financial assistance to the States for roads on conditions laid down in the Act itself. The Commonwealth felt it was best to limit the grant to a three year period as there were many problems with postwar economic conditions.

The experience during World War 2 had shown the need for a flexible transport system. This in turn led to the belief that an efficient transport system was necessary to facilitate economic growth. As a result, the Commonwealth set out to integrate road construction with other forms of transport and at the same time to provide for a nationally co-ordinated road construction policy. To assist in meeting this aim, the Australian

Transport Advisory Council was set up in April 1946 and comprised the Commonwealth Minister for Transport as Chairman, the Minister for the Capital Territory and Minister for the Northern Territory and each State Minister with Transport portfolios.<sup>(10)</sup> The Council concerned itself with considering policy matters relating to transport operations, co-ordination and development.

The 1947 Act provided for a main grant determined by the yield from fuel tax revenue based on 2.50 cents (3d) per gallon on imported petrol and 1.66 cents (2d) per gallon on locally refined petrol<sup>(11)</sup> to be spent on construction, reconstruction and maintenance of roads, but subject to the condition that a maximum of one-sixth could be spent on works connected with transport other than roads. Several additional grants unrelated to fuel tax revenue were provided for payment for specific purposes.

The major subsidiary grant of \$2 million was to be spent on rural roads other than major rural highways. A further \$1 million was for expenditure on strategic roads and roads of access to Commonwealth property. The remainder amounting to \$0.2 million was to be spent on the promotion of road safety principles and practices.

The grant relating to rural roads other than major rural highways, arose as a result of increasing concern over the condition of such roads. They had not been developed to the same extent as the main road system. The rural roads on which this money was to be spent were limited to roads through sparsely populated areas, timber country and rural areas for which other transport facilities were not generally available. Under the grant, provision was made for the States to purchase road making equipment for Local Government Authorities whose expenditures on roads were hampered by limited financial resources. This indicates that the Commonwealth desired to assist the Local Government Authorities but without being involved in direct assistance. This grant was increased to \$4 million in 1948 and \$6 million in 1949.

After considering methods of financing roads and the need for a sound and efficient road system for economic development, the Commonwealth increased the allocation of funds to the States in 1950 under the Commonwealth Aid Roads Act 1950 by increasing the yield from petrol tax - 5 cents (6d) per gallon on imported petrol and 2.9 cents (3½d) per gallon on locally refined petrol. The former lump sum provision for other rural roads was replaced by the requirement that at least 35 per cent of the

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(10) The membership has been subsequently modified so that State Ministers with relevant portfolios have been included on the Council. The Chairmanship of the Council is held by the Commonwealth or State host Minister to the meeting.

(11) The total customs duty on imported petrol from 1946 to 1956 was 8.33 cents (10d) per gallon of imported petrol and 7.08 cents (8½d) on locally refined petrol.

grant was to be spent on such roads, while \$1.2 million was to be set aside from the remainder of the grant for expenditure on strategic roads and road safety. The States were required to provide statements of expenditure from the grants to be certified by their respective State Auditor-Generals. This provision was similar to that of the 1925 Act. It had been omitted from intervening legislation.

The Commonwealth Aid Roads Act 1954 was brought down a year before the 1950 legislation completed its quinquennium. The new Act was introduced to raise the grant for roads by increasing the yield from both customs duty on imported petrol and excise duty on locally refined petrol to 5.83c (7d) per gallon. The reason for the introduction of the uniform basis was because domestic petroleum refining was growing rapidly relative to imported petrol so that the retention of the old basis on which the customs rate on imported petrol was higher than the excise rate on locally refined petrol would have resulted in a lower grant than considered desirable. The 1954 Act was amended in 1956, whereby the yield from the petrol tax allocated to roads was increased to 6.66 cents (8d) per gallon because the need of funds for road works was outstripping the available funds from the yield of the petrol tax.(12)

Similar provisions were made in the 1954 Act as in the 1950 Act with the main change being the minimum proportion which had to be spent on rural roads other than arterial roads was increased to 40 per cent of the total grant. At the same time, the total amount which could be spent at the discretion of the States for transport purposes other than roads, was reduced to a fixed sum of \$2 million per annum.

Following the imposition of a tax on diesel fuel used by vehicles on public highways, and passing the Commonwealth Aid (Special Assistance) Act 1957 the Commonwealth provided special assistance of \$5.9 million to the States for roads in each of the years 1957/58 and 1958/59. The special additional grant was in no way tied to the proceeds of the diesel fuel taxes, and may be seen as the first step by the Commonwealth to free itself from the determination of the amount of grants from the revenue of petrol taxation. Moreover, this additional grant was not distributed on the same basis as the other Commonwealth road grants. The Commonwealth had considered various alternative methods of distribution formulae, but rather than adopt a new formula which might be taken as anticipating its review of the main legislation, it allocated the funds in accordance with a schedule to the Act.

In the period of 1931-1959, Commonwealth grants for roads rose substantially because of increases in the proportions of petrol duties earmarked for roads, rising fuel consumption and supplementary grants made to the States to provide special assistance for roads. During the war, the Commonwealth restriction of petrol consumption had a marked effect on the amounts available for road grants, and in 1943 grants fell as low as \$2,968,000. However, by 1949-50 grants for roads had risen to \$17.7 million. With each subsequent set of legislation, grants for roads rose substantially. For example, from \$33.2 million in 1953/54 to \$77.8 million in 1958-59.

(12) The customs duty on imported petrol was increased to 11.82 cents (1s.1d.) and excise duty on locally refined petrol to 9.58 cents (11½d.).

### PART 3

#### COMMONWEALTH ROAD LEGISLATION, 1959-72

In March 1959 the Commonwealth Government held a special conference with State Premiers to discuss the question of federal aid for roads because of the continued inadequacies of the Australian road system and its effect on the efficient running of the economy.

As a result of the discussion and the assessment of the importance of roads in the developmental needs of the economy, some radical changes in road policy were enacted in the Commonwealth Aid Roads Act 1959. Under this Act, the Commonwealth Government's financial contributions increased substantially and the relationship between the grant and the Commonwealth fuel tax revenues, which had existed since 1931, was deleted. The main argument against the hypothecation of petrol tax revenues for road purposes was that such revenues were not necessarily a measure of needs. The total grant was made once again in the form of specified annual amounts and the 40 per cent provision for rural roads of the 1954 Act was continued. It was composed of a basic grant of \$440 million and an additional grant of \$60 million which was payable subject to certain matching conditions.

The formula for the distribution of the road grant between the States was also changed in this legislation. After allowing for five per cent of the total grant of \$500 million being allocated to Tasmania, the remainder was divided among the five States in accordance with one-third in proportion to area, one-third in proportion to population, and one-third in proportion to numbers of motor vehicles on register. This change in formula was brought about largely at the instigation of New South Wales and Victoria. It was apparent that the heavy concentration of industry and consequent growth of commercial and industrial transport made exceptionally heavy demands on the road systems in these two States. On this basis it was decided they should receive larger proportional allocations of road funds and that this formula would achieve that end.

The matching provisions relating to the \$60 million were on a dollar for dollar basis, on the condition that a State's expenditure on roads was more than that which was spent from their own resources in 1958/59. The actual amounts involved were set out in a schedule to the Act. These matching provisions were introduced because the Commonwealth considered that all levels of Government concerned should make a co-operative effort to improve roads. New South Wales, Victoria and Queensland more than matched the base amounts during the period of the 1959 Act, while South Australia, Western Australia and Tasmania allocated little more than was necessary to meet the matching provisions in the same period.

An important innovation introduced in this Act was the provision whereby the States were permitted to spend Commonwealth funds "for or in connection with the planning and research relating to the construction, maintenance of repair of roads".

The National Association of Australian State Road Authorities<sup>(13)</sup> (N.A.A.S.R.A.) set out in 1958 to examine the inadequacies of the Australian road system. Their concern arose from the backlog in road maintenance built up during the war and the unprecedented increase in motor vehicle usage in post-war years. These factors resulted in the road system becoming inadequate to meet the demands of increasing traffic. N.A.A.S.R.A. examined the problem in terms of the resources required to correct the position and in early 1964, the information was discussed with the Commonwealth Treasury and the Department of Shipping and Transport in relation to the amount of Commonwealth grants which should be allocated to the States for roads for the period 1964-1969. However, the grants finally determined by the Commonwealth differed from those recommended by N.A.A.S.R.A.

The Commonwealth Aid Roads Act of 1964 was similar to the 1959 Act. The total grant was increased by fifty per cent and provided for a total sum, not exceeding \$750 million, over the next five year period. The total grant was composed of a basic grant of \$660 million and an additional grant subject to certain matching conditions of \$90 million.

The matching provisions were similar to the 1959 Act in that the \$90 million was to be matched on a dollar for dollar basis, and on the condition that the States expenditure on roads was more than that which was set out in a schedule to the Act.

The distribution formula of the grant between the States was the same as that which had been used previously. The requirement that 40 per cent of the total grant was to be spent on rural roads was continued. However, this latter provision led to difficulties for some States which, for various reasons, were unable to undertake planned expenditure within the specified twelve months. As a result, the 1964 Commonwealth Aid Roads Act added a provision whereby the period during which grants set aside for expenditure were required to report annually to the Minister for Shipping and Transport on details of expenditure on roads.

During the period of the 1959 legislation, it became apparent to the States that far too little research was being undertaken on roads. Following representation by the Premiers, the Commonwealth extended the provision in the Commonwealth Aid Roads Act of 1964, so that Commonwealth Aid Roads grants could be expended by the States "on research directly connected with the planning or design of roads or with road construction."<sup>(14)</sup>

While the 1964 Act had been broadened to permit expenditure for research on the planning or design of roads, it was made more restrictive than the 1959 legislation in that expenditure was required to be "directly connected with" rather than simply "for or in connection with" roads.

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(13) An organization of the central road authorities of the six States, together with the road constructing authority for Commonwealth Territories. This organization was known as the "Conference of State Road Authorities" from 1934 to 1959.

(14) The Main Road Authorities established the Australian Road Research Board in 1959 with the primary function of research relating to roads.

As the Commonwealth's financial commitment to roads had increased substantially, the Commonwealth Government established the Commonwealth Bureau of Roads<sup>(15)</sup> to advise the Commonwealth Government on matters pertaining to roads and road transport, including the specific task relating to grants of financial assistance to the states for roads. The Bureau was constituted in February 1966 and was intended to provide the expertise needed to evaluate financial assistance for specific road projects or programmes as well as advising on the level of expenditure on roads by the Commonwealth which would be in the national interest. Since the Commonwealth Aid Roads legislation current at the time was due to expire on the 30th June 1969, the Bureau initially undertook an investigation to examine the condition and usage of the road system throughout Australia with a view to reporting and advising on grants of financial assistance for roads for the period after 1969.

A major part of the work of the Bureau in its early days of establishment from 1966 to 1968 was the design and conduct of the Australian Roads Survey 1967-68 in conjunction with N.A.A.S.R.A. In close co-operation with the State Road Authorities, the Bureau studied the needs of all roads in both urban and rural areas, and made estimates of the increasing demands that would be made on the entire road system. The resources, including financial resources, needed to meet these demands were compared with the resources which were considered likely to be available. In estimating the road improvements necessary to ensure roads could adequately cater for existing usage and meet future demands, practical engineering criteria were developed and applied as uniformly as possible throughout Australia. Also, economic evaluations of projected improvement were conducted to identify those levels of expenditure economically warranted and to estimate the likely return from expenditure on roads. The appropriate levels of total road expenditure in the period 1969-74 were then assessed. After analysing likely contributions from State and local governments, the amount of money which the Commonwealth needed to grant to the States for roads for that period was ascertained. The Bureau then prepared and submitted a report to the Minister of Shipping and Transport to assist the Commonwealth in its consideration of the grant of financial assistance to the States.

In the light of the Bureau recommendations, the Government allocation in the Commonwealth Aid Roads Act 1969 provided a total sum of \$1,252 million to be payable to the States over the five year period 1969-70 to 1973-74. The Bureau had recommended grants totalling \$1,282 million. The total grant payable was composed of a principal grant of \$1,200 million, conditional upon each State meeting a "quota" of expenditure on roads from their own sources and a "supplementary" grant of \$52.05 million to be shared between South Australia, Western Australia and Tasmania. No conditions were imposed upon this latter sum.

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(15) Commonwealth Bureau of Roads Act (1964).



The Commonwealth Government gave equal weighting to the distribution under the 1964 Commonwealth Act and that which was indicated by the Bureau of Roads economic analysis in considering the distribution of the principal grant. Supplementary grants were provided for South Australia, Western Australia and Tasmania, as it was felt that the distribution method used for the principal grant could create some difficulties in the period for these smaller States. The supplementary grants were to be phased out by the end of the Act. In effect, the supplementary grants ensured that no State would receive less than fifty per cent more than it received under the 1964 legislation.

The Government's aims in introducing the Commonwealth Aid Roads Act 1969 were outlined in the Treasurer's Second Reading Speech and are summarized as follows:-

- (i) to develop the entire Australian roads system to meet the evolving road needs;
- (ii) to improve the efficiency in the road system, in particular by roads for which the Commonwealth might reasonably be held to have national economic responsibility and
- (iii) to enable a roads programme to be carried out that would yield an increase in national productivity because the assistance had been provided in accord with economic and community needs.

Commonwealth funds were directed to be spent in four categories of road expenditure. The inclusion of categories of expenditure on urban arterial and sub-arterial roads, and rural arterial roads was a new development in Commonwealth Aid Roads legislation. These were introduced to establish an arterial road system that would permit the rapid movement of goods and services between states, between capitals and between various centres of the population. The money was allocated to these two categories in the same proportion as indicated by the Bureau of Roads' assessment of each State's road needs. The third category was for other rural roads and the allocation was determined by an increment of 5 per cent a year over the amount each State was required to spend on rural roads from its 1968-69 grant. The fourth category was concerned with planning and research.

Planning and research activities were not markedly increased during the period of the 1964 Act. In order to improve the position, a mandatory provision was included in the 1969 legislation requiring that out of the basic grant of each State, 1.5 per cent must be spent on a programme of research and planning. Road planning and research was defined in the new legislation so as to include the investigation of transport by road in relation to other means of transport and research into road safety, the design of vehicles and the behaviour of road users.

Although provision was made in the Commonwealth Aid Roads Act 1969 for limited transfers of grants between categories of roads with Ministerial approval, the Commonwealth indicated that requests from States for such transfers would be approved only in exceptional circumstances.

As under the 1964 legislation, payment of Commonwealth Aid Roads funds was conditional upon the States reporting annually to the Minister for Shipping and Transport. The 1969 Act, also required the States to report annually to the Commonwealth Treasury.

In order to obtain the maximum grant payable under this Act, the States were required to expend a certain quota from their own funds. This expenditure was to equal the same proportional increase that motor vehicles on register as at 31 December prior to each financial year 1969-70 to 1973-74, bore to the number of motor vehicles on register as at 31st December, 1966. The base amount for each State was set out in a Schedule to the Act.

The 1969 Act specified that expenditure by the States to qualify for Commonwealth funds included amounts paid by the States to Local Government Authorities for road expenditure, office buildings constructed or maintained in connection with roadworks and interest payments on loans for road purposes.

## PART 4

### COMMONWEALTH GRANTS OTHER THAN COMMONWEALTH AID ROADS GRANTS

Two types of grants for roads have been made by the Commonwealth to the States outside the Commonwealth Aid Roads legislation: beef road grants and grants for specific projects such as the Gordon River Road in Tasmania, the Eyre Highway in South Australia and the Barkly Highway in Queensland.

#### Beef Road Grants

Commonwealth participation in beef road development began in 1949 in connection with the Fifteen Year Meat Agreement with the United Kingdom. A programme of road improvements to facilitate cattle transport, and thus beef exports, was carried out between 1949 and 1954 in Queensland, Western Australia and the Northern Territory, with the objective of increasing exports of beef to the United Kingdom. The major part of the expenditure was from Commonwealth grants under the State Grants (Encouragement of Meat Production) Act 1949-54 amounting to \$4.2 million, of which Queensland received \$2.6 million and Western Australia \$1.6 million. The Northern Territory expenditure was financed out of an allocation to the Commonwealth Department of Works.

The next phase of Commonwealth involvement in beef roads was in 1961. This arose out of deliberations by the Commonwealth Government concerning major developmental projects. These projects were designed to increase Australia's export income as well as providing an opportunity for the Commonwealth to be associated more closely with and to assist in the productive development of the outlying areas of Australia. As a result of these considerations, the Commonwealth granted \$10 million to Queensland for a programme of improvements to specified roads. In the following year a loan of \$6.6 million was advanced under two Acts: Queensland Grant (Beef Cattle Roads) Act 1961 and Queensland (Beef Cattle Roads) Agreement Act 1962. The loans were repayable over a fifteen year period commencing 1 January, 1967. Neither the loans nor grants were subject to matching requirements.

The 1961 grant for Western Australia was \$1.0 million and in 1962, the Commonwealth accepted the Western Australian five-year programme 1961-62 to 1965-66 for beef roads with a further grant of \$5.9 million. These grants were made under two acts - Western Australian Grant (Beef Cattle Roads) Act of 1961 and 1962. These grants were subject to a matching requirement of a similar expenditure from State funds on roads north of the latitude of 20°S.

Approaches were made to the Commonwealth Government by the Governments of Queensland, Western Australia and South Australia in 1963 and 1964 for additional funds for beef road construction. As a result, the Commonwealth undertook a comprehensive examination of beef roads in relation to the beef cattle industry, with consideration being also given to the needs of other industries and the influence of the location of rail heads, highways,

meatworks, towns and ports. Benefit-cost analysis of roads in specific regions throughout Northern Australia, indicated the areas in which the highest returns were likely to flow in a national sense from Commonwealth investment in beef road construction.

Prior to the finalization of investigations, the Commonwealth, continued the then current annual levels of expenditure of \$6 million on agreed interim road programmes as an interim measure in 1966-67. Queensland received \$4.5 million under Queensland (Beef Cattle Roads) Agreement Act 1966, and Western Australia \$1.5 million under Western Australia Grant (Beef Cattle Roads) Act 1966.

Upon finalization of the above investigations, the Commonwealth Government indicated its agreement to a further programme of beef roads construction in Queensland, Western Australia and South Australia to cover the seven year period July 1967 to June 1974. This was incorporated in States' Grants (Beef Cattle Roads) Act 1968.

The grants of \$50 million were allocated to the State governments as follows:-

Queensland	:	\$39.5 million
Western Australia	:	\$ 9.5 million
South Australia	:	\$ 1.0 million

and were in the form of non-repayable grants. No matching provision was specified, but it was agreed by the States concerned that they would continue to make their own additional contribution to the development of beef roads. The Commonwealth Minister for National Development up to December 1972, and subsequently the Minister for Northern Development, had the main responsibility for the scheme. The Commonwealth Treasurer had the responsibility for making payments and advances to the States and was required to consult with the responsible Minister on any matters that affected the size of the Commonwealth's commitments or the rate of Commonwealth expenditure. A Standing Committee on Beef Roads was also established comprising the Departments of Northern Development, the Treasury and the Department of Transport (formerly the Department of Shipping and Transport) to review the administration of the scheme with the authority to co-op other Departments or Authorities for advice on particular aspects as necessary.

#### Grants for Specific Roads

Since 1947-48, the Commonwealth has provided financial assistance for the maintenance of certain roads designated as "strategic". These included the Eyre Highway in South Australia and Western Australia, and the Barkly Highway in Queensland. The payments were made from the Commonwealth Aid Roads Trust Account prior to 1959-60 and from annual appropriations since July 1959. They have totalled \$871,000.

In 1972, the Commonwealth agreed to provide up to \$2.5 million over the next four years as additional financial assistance to South Australia as a contribution towards the costs of completing the sealing of the Eyre Highway. The assistance was by way of a grant of one-third of expenditure on the project in each year from 1972-73 to 1975-76 to a maximum of \$625,000 a year.

To enable detailed investigation and development of an extension to the Tasmanian hydro-electric system, a Commonwealth grant of \$5 million was made in 1964 under the Tasmanian Grant (Gordon River Road) Act 1964-67. This financial arrangement was by way of a non-repayable grant to assist in financing the construction of a road in the Gordon River region of south-west Tasmania.

## PART 5

### COMMONWEALTH LEGISLATION ON ROAD TRANSPORT

The Commonwealth Government has responsibility for controlling road transport within the mainland Territories for which it has full administrative control and has enacted legislation to meet these requirements. This legislation is broadly similar to that in the States in a number of fields such as road safety requirements and vehicle design. However there are significant differences between Commonwealth and State regulations. For instance there are no ton mileage taxes in the A.C.T. In general the timing of Commonwealth legislation has arisen from specific requirements in its Territories and not as a reaction to State legislation initiatives.

The Commonwealth Government has no specified responsibility for road transport under the Constitution and has not pursued a policy of influencing the State Governments in road transport through financial assistance as it has with roads. Instead the Commonwealth has chosen to restrict its influence on road transport to those matters that arise from the activities of the Australian Transport Advisory Council and the Transport Industry Advisory Council.<sup>(16)</sup> These bodies are the meeting grounds of the Commonwealth, the States and various transport industries where uniformity of approach can be reached towards administrative procedures and national transport policy can be discussed. This has resulted in reviewing and discussing national solutions of transport problems such as road safety, motor vehicle standards, motor vehicle emissions, transport economic research etc.

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(16) The Transport Industries Advisory Council was established in 1971 and comprises leaders of various transport industries and advises the Minister of Transport on matters relating to transport.

## SUMMARY HISTORY OF COMMONWEALTH ROAD GRANTS LEGISLATION

ATTACHMENT A

LEGISLATION	PURPOSE	AMOUNT (a)	DISTRIBUTION	CONDITIONS	
				General	Matching
Public Works Act 1922	To provide funds for roads for developmental purposes.	\$ 500,000	Distributed to States on a per capita population basis.	To be spent on maintenance of existing highways and district roads outside city areas.  All expenditure to be approved by the Commonwealth.	\$1 for \$1
Main Roads Development Act 1923	To open up and Develop new country areas, also to provide employment.	\$1,000,000	5 per cent to Tasmania, remaining 95 per cent to other five States on three-fifths population, two fifths area basis.	To be spent on construction of following types of roads only:  (i) Main roads to open up new country for agricultural, pastoral, or mining purposes or to provide access from such areas to railheads;  (ii) Main trunk roads between important towns, either within a State or between States, where no railways are provided;  (iii) Arterial roads through country areas unable to finance heavy road construction costs.  All expenditure to be approved by the Commonwealth.	\$1 for \$1
Main Roads Development Act 1924	As per 1923 Act	\$1,000,000	As per 1923 Act	As per 1923 Act	\$1 for \$1
Main Roads Development Act 1925	To open up and develop rural areas through financial assistance for road construction, and also for reconditioning and strengthening of existing roads.	Grant "A" (b) \$1,000,000  Grant "B" (b) \$500,000	As per 1923 Act  As per 1923 Act	Grant "A" (b) As per 1923 Act  Grant "B" (b) Funds to be spent on the reconditioning and strengthening of existing roads failing in the classes for which Grant "A" were applicable.  All road works to be carried out by contract, grade, width and depth of metalled surface to be stipulated by the Commonwealth.	\$1 for \$1  Not required
Federal Aid Roads Act 1926	To introduce and authorise finance for ten-year national highways construction scheme.	\$4,000,000 per annum	As per 1923 Act	Funds to be spent only on construction or reconstruction of road types eligible for grants under 1923 Act. 25 per cent of total grant required to be spent on construction. All roadworks to be carried out by contract, grade, width and depth of metalled surface to be stipulated by the Commonwealth. Commonwealth approval was required for each individual work proposed by a State. Up to 2 per cent of survey and administration costs payable by Commonwealth.	\$1 Commonwealth for 75 cents State
Federal Aid Roads Act 1931	To amend provisions of 1926 Act.	Annual grant based as follows: 2.08 cents (2½d) per gallon on imported petrol and 1.25 cents (1¼d) per gallon on locally refined petrol out of customs and excise duties collected by Commonwealth.	As per 1923 Act	To be spent on construction, reconstruction, maintenance and repair of roads irrespective of class as determined by State Authorities.  Commonwealth approval of works no longer required.	Not required

LEGISLATION	PURPOSE	AMOUNT	DISTRIBUTION	CONDITIONS	
				General	Matching
Federal Aid Act 1937	To continue Commonwealth financial assistance for roads.	<u>Grant "A"</u> As per 1931 Act.  <u>Grant "B"</u> Based on 0.42 cents ( $\frac{1}{2}$ d) per gallon on imported petrol and 0.42 cents ( $\frac{1}{2}$ d) gallon on locally refined petrol.	As per 1923 Act	<u>Grant "A"</u> As per 1931 Act  <u>Grant "B"</u> To be spent on works connected with transport other than roads, provided that one-twelfth of Grant "B" could, at Commonwealth's request, be spent on maintenance and repair of roads of approach to or adjoining Commonwealth properties.	Not required
Commonwealth Aid Roads and Works Act 1947	To make available increased financial assistance for roads.	<u>Grant "A"</u> Based on 2.5 cents (3d) per gallon on imported petrol and 1.65 cents (2d) per gallon on locally refined petrol (excluding petrol used for aviation purposes).  <u>Grant "B"</u> \$2,000,000 (Increased subsequently to \$4,000,000 in 1948-49 and \$6,000,000 in 1949-50)  <u>Grant "C"</u> \$1,000,000  <u>Grant "D"</u> \$200,000	As per 1923 Act	<u>Grant "A"</u> To be spent on the construction, reconstruction, maintenance of roads, but subject to provision that a maximum of one-sixth could be spent on works connected with transport other than roads.  <u>Grant "B"</u> To be spent on the construction, reconstruction, maintenance and repair of roads through sparsely populated areas, timber country and rural areas where other transport was not available. Expenditure on State highways, trunk and main roads was not to be incurred without the approval of the Commonwealth. Under this grant if considered necessary the purchase of roadmaking plant for use in the areas stated could be made from this grant.  <u>Grant "C"</u> To be spent on strategic roads and roads of access to Commonwealth property.  <u>Grant "D"</u> To be spent on promotion of road safety principles and practices.	Not required           Not required   Not required
Commonwealth Aid Road and Works Act 1950	To provide Australian Government grants to the States for roads.	<u>TOTAL GRANT</u> Based on 5 cents (5d) per gallon on imported petrol and 2.9 cents (3 $\frac{1}{2}$ d) per gallon on locally refined petrol (excluding petrol used for aviation purposes)  <u>Grant "A"</u> 65 per cent of total grant less \$1,200,000	As per 1923 Act	<u>TOTAL GRANT</u> Statements of expenditure made by States from grants to be certified by State Auditors-General  <u>Grant "A"</u> To be spent on construction, reconstruction, maintenance and repair of roads and for purchase of roadmaking equipment subject to provision that a maximum of one-sixth of this grant could be spent on works connected with transport other than roads.	Not required   Not required



LEGISLATION	PURPOSE	AMOUNT	DISTRIBUTION	CONDITIONS	
				General	Matching
Commonwealth Aid Road and Works Act 1950 (continued)		Grant "B" 35 per cent of total grant		Grant "B" To be spent on all roads in rural areas, (other than main roads, trunk roads and highways) including developmental roads, feeder roads, roads in sparsely populated areas and in soldier settlement areas.	Not required
		Grant "C" \$1,000,000		Grant "C" As per 1947 Act.	Not required
		Grant "D" \$200,000		Grant "D" As per 1947 Act.	Not required
Commonwealth Aid Roads Act 1954	To repeal 1950 Act and to introduce provision for increase in total grant.	<u>TOTAL GRANT</u> Based on 5.83 cents (7d) per gallon on imported and locally refined petrol.	As per 1923 Act.	<u>TOTAL GRANT</u> As per 1950 Act.	Not required
		Grant "A" 60 per cent of total grant less \$1,800,000		Grant "A" To be spent on construction, reconstruction, maintenance and repair of roads and purchase of roadmaking equipment, subject to provision that a maximum amount of \$2,000,000 could be spent on works connected with transport other than roads.	Not required
		Grant "B" 40 per cent of total grant.		Grant "B" As per 1950 Act.	Not required
		Grant "C" \$1,600,000		Grant "C" As per 1950 Act.	Not required
		Grant "D" \$200,000		Grant "D" As per 1950 Act.	Not required
Commonwealth Aid Roads Act 1955	To amend 1954 Act.	Grant "D" Increased to \$300,000 per annum.	As per 1923 Act.	As per 1954 Act.	Not required
Commonwealth Aid Roads Act 1956	To amend 1954 and 1955 Acts.	<u>TOTAL GRANT</u> Based on 6.66 cents (8d) per gallon.	As per 1923 Act.	As per 1954 Act.	Not required
Commonwealth Aid Roads (Special Assistance) Act 1957	To authorise additional grant for 1957-58 and 1958-59.	Additional \$6,000,000 per annum.	As per 1923 Act.	As per 1954 Act.	Not required
Commonwealth Aid Roads Act 1959	To provide further financial assistance to the States for roads and re-introduce matching grants.	<u>TOTAL GRANTS</u> 1959-60 \$ 84mn 1960-61 \$ 92mn 1961-62 \$100mn 1962-63 \$108mn 1963-64 \$116mn \$500mn of which	5 per cent to Tasmania, and remaining 95 per cent to other five States on one-third population, one-third area and one-third motor vehicles registered basis.	<u>TOTAL GRANT</u> As per 1954 Act but with the following exceptions: (a) No grants for strategic roads or for road safety practices provided. (b) Amounts could be spent for or in connection with research relating to construction, reconstruction, maintenance or repair of roads.	<u>BASIC GRANT</u> Not required
		<u>BASIC GRANT</u> 1959-60 \$ 80mn 1960-61 \$ 84mn 1961-62 \$ 88mn 1962-63 \$ 92mn 1963-64 \$ 96mn \$460mn			



LEGISLATION	PURPOSE	AMOUNT	DISTRIBUTION	CONDITIONS									
				General		Matching							
Commonwealth Aid Roads Act 1969	To provide the States with financial assistance for roads, planning and research.	<u>PRINCIPAL GRANTS</u>	<u>PRINCIPAL GRANTS</u>	The funds under the CAR Grant 1969 are to be expended as follows:-				The States are required to expend at least a "quota" from their own resources in each financial year. This "quota" is that proportion of a base amount which motor vehicles on register in 31 December 1966 bears to motor vehicles on register at 31 December proceeding the financial year applicable. The base amount for each State is as follows:-					
		\$'million	\$'million										
		1969-70 180	NSW. 380.4	<u>PRINCIPAL GRANT</u> \$'million					Urban Arterial	Rural Arterial	Rural Roads Other Than Arterial	Planning and Research	
		1970-71 205	VIC. 254.4										
		1971-72 235	QLD. 231.6										
		1972-73 270	S.A. 120.0										
		1973-74 310	W.A. 159.6										
			TAS. 54.0										
		1200											
		<u>SUPPLEMENTARY GRANTS</u>	<u>SUPPLEMENTARY GRANTS</u>	1969-70									
		\$'million	\$'million	1970-71									
		1969-70 13	S.A. 9.0	1971-72									
		1970-71 13	W.A. 40.8	1972-73									
		1971-72 10	TAS. 2.3	1973-74									
		1972-73 9											
		1973-74 7											
		52											

- (a) Actual payments made to the States for roadworks purposes under Commonwealth Aid Roads Acts and comparable legislation are shown from 1923-24 to 1966-67 in the tables following.
- (b) The terms Grant "A", "B", are used for simplicity to indicate where a division of the total grant is specified in the legislation. These terms do not appear explicitly in the legislation.

## ALLOCATIONS FOR ROADS UNDER AID ROADS ACTS AND COMPARABLE LEGISLATION

1923/24 TO 1958/59 (a)

(\$'000)

	Allocations for States							Strategic Roads and Safety (b)	Total	Act
	NSW.	VIC.	QLD.	S.A.	W.A.	TAS.	TOTAL			
1923-24	276	180	188	114	192	50	1060		1000	Main Roads Development Act 1923-1925
1924-25	276	180	188	114	192	50	1060		1000	
1925-26	414	270	282	172	288	74	1500		1500	
1926-27	1104	720	752	456	768	200	4000		4000	Federal Aid Roads Act 1926
1927-28	1104	720	752	456	768	200	4000		4000	
1928-29	1104	720	752	456	768	200	4000		4000	
1929-30	1104	720	752	456	768	200	4000		4000	
1930-31	1104	720	752	456	768	200	4000		4000	Federal Aid Roads Act 1931-1936
1931-32	1000	652	682	412	696	182	3624		3624	
1932-33	1062	692	722	438	738	192	3844		3844	
1933-34	1218	794	830	504	848	222	4416		4416	
1934-35	1362	888	928	562	946	246	4932		4932	
1935-36	1534	1000	1044	634	1068	278	5558		5558	
1936-37	1678	1094	1142	694	1168	304	6080		6080	
1937-38	2332	1452	1584	922	1594	414	8298		8298	Federal Aid Roads and Works Act 1937
1938-39	2398	1494	1630	948	1638	426	8534		8534	
1939-40	2504	1560	1702	988	1712	446	8912		8912	
1940-41	1958	1220	1322	774	1338	348	6970		6970	
1941-42	1196	744	814	472	818	212	4256		4256	
1942-43	900	562	612	356	616	160	3206		3206	
1943-44	262	660	720	420	724	188	2974		2974	
1944-45	1238	770	840	488	846	220	4402		4402	
1945-46	1870	1166	1272	738	1278	332	6656		6656	
1946-47	2700	1682	1836	1066	1846	480	9610		9610	
1947-48	4034	1996	2204	1262	2204	574	12274	1200	13474	Commonwealth Aid Roads and Works Act 1947-1949
1948-49	4006	2472	2726	1562	2726	710	14202	1200	15402	
1949-50	4944	3050	3368	1928	3368	876	17534	1200	18734	
1950-51	7638	4712	5200	2980	5200	1356	27086	1200	28286	Commonwealth Aid Roads Act 1950
1951-52	8260	5098	5624	3222	5624	1466	29294	1200	30494	
1952-53	8520	5238	5802	3322	5802	1510	30216	1200	31416	
1953-54	9282	5726	6320	3620	6320	1646	32914	1200	34114	
1954-55	12820	8204	8972	5240	9114	2334	46684	1800	48484	Commonwealth Aid Roads Act 1954-56 and Commonwealth Aid Roads (Special Assistance) Act 1957
1955-56	14564	9320	10192	5952	10356	2652	53036	1900	54936	
1956-57	17174	10990	12018	7018	12210	3126	62536	1900	64436	
1957-58(c)	18990	12528	13170	7758	13316	3466	69228	2000	71228	
1958-59(c)	19860	13086	13780	8114	13934	3624	72398	2000	74398	

- (a) Since 1958-59 the amounts allocated for roads under Aid Roads legislation have coincided with payments under such legislation. The actual payments made to the States under Aid Roads legislation in each year since 1923-24 are shown in Attachment C.
- (b) From 1947-48 to 1958-59 specific provision for these purposes was made in the various Commonwealth Aid Roads Acts - in other years such Commonwealth expenditures have been met from annual appropriations. Portions of the amounts shown in this column were used to finance grants for promotion of road safety practices and for maintenance of the Eyre and Barkly Highways.
- (c) The figures for 1957-58 and 1958-59 include the \$6,000,000 special assistance grant for roads allocated in each of those years. This grant was arbitrarily distributed: New South Wales \$1,600,000; Victoria, \$1,400,000; Queensland, \$1,000,000; South Australia, \$650,000; Western Australia, \$950,000; Tasmania, \$800,000; and Commonwealth purposes, \$100,000.

**PAYMENTS TO STATES FOR ROADS UNDER AID ROADS ACT AND COMPARABLE LEGISLATION 1923/24 TO 1971/72 (a), (b)**  
(\$'000)

	NSW.	VIC.	QLD.	S.A.	W.A.	TAS.	TOTAL	Act
1923-24	40	88	48	20	68		264	)
1924-25	190	154	210	154	306	24	1,038	)
1925-26	268	302	302	226	254	86	1,438	)
1926-27	358	330	410	310	426	94	1,928	)
1927-28	596	786	686	514	466	148	3,196	)
1928-29	1,538	688	754	424	436	246	4,086	)
1929-30	1,750	1,018	982	510	1,608	318	6,186	)
1930-31	1,156	668	882	408	872	256	4,242	)
1931-32	1,444	566	732	474	664	156	4,036	)
1932-33	1,046	682	712	432	728	190	3,790	)
1933-34	1,256	878	854	518	874	228	4,608	)
1934-35	1,346	818	918	556	938	244	4,820	)
1935-36	1,518	990	1,034	626	1,054	274	5,496	)
1936-37	1,666	1,086	1,136	688	1,160	302	6,038	)
1937-38	2,272	1,418	1,544	898	1,544	404	8,090	)
1938-39	2,410	1,500	1,638	952	1,646	428	8,574	)
1939-40	1,524	2,572	1,716	996	1,724	450	8,982	)
1940-41	1,986	1,236	1,350	784	1,358	354	7,068	)
1941-42	1,244	776	846	496	842	224	4,428	)
1942-43	926	576	628	362	640	162	3,294	)
1943-44	334	640	700	406	704	184	2,968	)
1944-45	1,118	760	830	482	834	218	4,242	)
1945-46	1,792	1,116	1,218	708	1,226	320	6,380	)
1946-47	2,666	1,660	1,812	1,054	1,822	474	9,488	)
1947-48	4,048	2,002	2,210	1,266	2,214	576	12,316	)
1948-49	3,898	2,404	2,652	1,520	2,652	690	13,816	)
1949-50	4,992	2,080	3,400	1,948	3,400	884	17,704	)
1950-51	7,228	4,462	4,920	2,818	4,920	1,284	25,632	)
1951-52	8,347	5,150	5,683	3,256	5,683	1,480	29,599	)
1952-53	8,415	5,192	5,729	3,282	5,729	1,492	29,839	)
1953-54	9,373	5,783	6,381	3,656	6,381	1,662	33,236	)
1954-55	12,381	7,905	8,649	5,045	8,779	2,251	45,010	)
1955-56	14,316	9,161	10,019	5,851	10,179	2,606	52,132	)
1956-57	16,869	10,795	11,805	6,894	11,994	3,072	61,429	)
1957-58(c)	19,130	12,618	13,268	7,814	13,414	3,492	69,736	)
1958-59(c)	21,355	14,042	14,825	8,724	14,996	3,897	77,839	)
1959-60(d)	24,345	17,319	16,042	9,846	15,927	4,368	87,847	)
1960-61	25,741	18,367	16,855	10,256	16,181	4,600	92,000	)
1961-62	27,622	20,159	18,187	11,505	17,527	5,000	100,000	)
1962-63	29,880	21,754	19,591	12,400	18,975	5,400	108,000	)
1963-64	32,443	22,824	21,070	13,337	20,526	5,800	116,000	)
1964-65	36,345	25,576	23,669	14,903	23,007	6,500	130,000	)
1965-66	39,191	27,508	25,538	16,024	24,739	7,000	140,000	)
1966-67	41,744	29,443	27,415	17,222	26,676	7,500	150,000	)
1967-68	44,467	31,286	29,266	18,384	28,597	8,000	160,000	)
1968-69	47,319	33,113	31,098	19,433	30,537	8,500	170,000	)
1969-70	57,060	38,160	34,740	21,000	32,940	9,100	193,000	)
1970-71	64,980	43,460	39,560	23,500	36,270	10,230	218,000	)
1971-72	74,500	49,820	45,360	25,500	39,250	10,820	245,250	)

- (a) The amounts paid to the States under Aid Roads and comparable legislation did not coincide with allocations made by the Commonwealth under such legislation before 1959-60. Amounts allocated for roads by the Commonwealth under Aid Roads and comparable legislation in each year since 1923-24 are shown in Table Attachment B.
- (b) These figures do not include expenditure in the States on strategic roads, roads serving Commonwealth purposes and road safety.
- (c) The figures for 1957-58 and 1958-59 include the following amounts which each State received from the \$6,000,000 special assistance grant for roads allocated in each of those years, N.S.W. \$1,600,000; Victoria, \$1,400,000; Qld. \$1,000,000; S.A. \$650,000; W.A. \$950,000 and Tas. \$300,000.
- (d) These figures include a special adjusting payment of \$508,000 to W.A. under Section(3.) of the 1959 Act and a final adjusting payment of \$3,338,000 to complete commitments under the 1954 Act. This latter payment was distributed; N.S.W. \$910,000; Vic. \$586,000; Qld. \$640,000; S.A. \$374,000; W.A. \$652,000 and Tas. \$168,000.

PAYMENTS TO STATES FOR SPECIFIC ROAD PROJECTS

(\$'000)

	Payments for Maintenance of Eyre and Barkly Highways	Payments for Cattle Roads						Payments for Gordon River Road
		Queensland			South Australia	West Australia	Total	
		Grants	Loans	Total				
1959-60	36							
1960-61	83							
1961-62	92	1300	-	1300		1000	2300	
1962-63	84	2000		2000		1400	3400	
1963-64	64	2097	1998	4095		1500	5595	270
1964-65	64	2300	2300	4600		1500	6100	1094
1965-66	64	2000	2000	4000		1500	5500	1840
1966-67	64	2253	2252	4505		1500	6005	1596
1967-68	64	4000	-	4000		1400	5400	200
1968-69	64	4550	-	4550		1451	6001	
1969-70	64	5100	-	5100		1168	6268	
1970-71	64	7685	-	7685	300	1000	8985	
1971-72	64	8200	-	8200	350	1600	10150	

ATTACHMENT D