PRESS STATEMENT:

MALCOLM FRASER:

March 29th, 1964

COMMONWEALTH AID FOR ROADS

A short while ago all the Premiers, together with a certain number of officials, came to Canberra to argue once again about the cut-up of the funds that the Commonwealth is prepared to make available for road finance.

All the usual pressures and one or two additional ones were at work in the days preceding this particular conference.

In general terms it has been a question of how much money should go to each State, and thus the Premiers would argue about the formula which was used to decide this.

It will be remembered that before the last five-year program 60% of the funds were divided on a population basis and 40% were divided on an area basis. This was way back before 1959. This was recognised to operate unjustly so far as Victoria was concerned, and largely as a result of pressures from Victoria the formula was changed and the funds are now cut up one-third each based on area, population and motor vehicle density. This changed formula made a great deal of difference to Victoria because the density of traffic on the Victorian roads is higher than in the other States, and it also reduced the influence of the area component which, of course, operates against Victoria.

The present formula is, I believe, a reasonable compromise, because while Victoria has a much greater vehicle population it hasn't got the tremendous distances as have Queensland and Western Australia, and these distances impose difficulties of communication which are extremely difficult to overcome.

Especially during the days of the last program which is just coming to a close, country roads in Victoria have improved tremendously. This is evident to everyone who travels. The dirt roads are becoming rare, and before long I would think, most of the Victorian roads that carry any volume of traffic will be sealed.

In my view, if in this new program the rate of progress and development that we have seen in the last five years can be continued, then we will not be going too far astray. The new funds will make this possible.

In the Prime Minister's policy speech the Prime Minister said that not less than £350,000,000 will be made available over the next five years by the Commonwealth. This would have been £100,000,000 more than over the last five years. As matters have turned out this sum of £350,000,000 has been increased by a further £25,000,000. This, of course, does not represent all the money that is spent on roads, because State Governments raise very large sums of money for themselves. This is provided from registration and license fees, and as business and activity expand and as the number of cars on the roads increase funds from these sources are automatically increased.

In the five years of the old arrangement which will end in June of this year, Victoria received just over £50,000,000. In the five years of the new arrangement to operate from July 1st, Victoria will get just under £74,000,000.
The Commonwealth has made no new restrictions about this money, where or how it should be used. The present provision is that 40% of the funds made available by the Commonwealth must be spent on roads in rural areas other than highways, main roads or trunk roads. This is a good provision because it has meant that the secondary country roads in Victoria have improved tremendously in the last few years.

It is well known that Lord Mayors of the Capital Cities pressed for special grants to be spent in city areas. The Commonwealth's view is that there are considerable sums available to the States and that it should be their own decision as to whether they want to spend more funds in the capital cities or outside them. The only restriction the Commonwealth places is this 40% I have mentioned. As for the rest it is left to the State's discretion.

NO INCREASED TAX:

One or two States wanted an increased petrol tax of about 3d. a gallon, provided all this money was spent on roads. This proposal didn't get much enthusiastic support. It would have further penalised people who use petrol on farms and properties off the roads. If the one or two States which wanted this increased tax imposed really felt they needed the extra money they would, of course, be able to increase their own State taxes to give the same result. As it is, the States that said they wanted this petrol tax imposed have already made public statements that their own taxes will not be increased.

COMMONWEALTH BUREAU FOR ROADS:

There is one other matter that came out of the conference. The Treasurer announced that the Commonwealth is going to set up a federal body to make a full and continuous study of all matters related to roads, their maintenance and construction. Such a body should get itself into the position in which it can advise the Commonwealth on a national program for roads. This would be a small body and it would not be designed to take away from the States the important and vital functions which are now fulfilled by the States. It would be an advisory body - it would not be responsible for road construction even in the territories of the Commonwealth. Such a body would have to establish good relationships with all the States, otherwise its advice would be worthless. The body would be given statutory authority under the Minister for Shipping and Transport, and it would be called the Commonwealth Bureau for Roads.

One of the important functions that this body will be asked to perform will be to decide how much of the nation's resources should be spent on roads from time to time. It is well known that an almost unlimited amount of money could be spent on roads, and many people want more money spent than is being spent, but others who are interested in other things all want more money for their own particular projects, and the national resources have to be divided as well as possible in the national interest.

Once it gets into operation and has earned the respect of the States the Commonwealth Bureau for Roads should have an important and useful part to play.
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