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TRANSPORTATION RESEARCH FORUM

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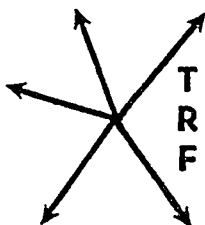
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TRANSPORTATION RESEARCH FORUM

Transport Policy, Administration & Decision-Making in Australia

by D. Scrafton*

ABSTRACT

RESPONSIBILITY for the operation, regulation and administration of transport in Australia is spread across three levels of Government: the Commonwealth (Federal), six States, and Local (Municipal) Governments. There are also two Territories which, differing extents, govern themselves internally in a manner similar to the States. These responsibilities for intrastate, interstate and international transport are described in this paper and the role of the private and public sectors in road, rail, air and sea transport is summarised.

The activities of three levels of Government are described, and the development of the transport organisations in the State of South Australia given as an example of Australian Statewide transport infrastructure, with emphasis on transport planning and research and on managing transport integration and innovation. Significant differences between South Australia and other States are drawn out by examples e.g. rail replacement bus services, regulation of intrastate air services and ferry links.

The possible re-activation of the Inter-State Commission, which is provided for in the Australian Constitution, is also discussed, and the inter-governmental transport research organisations are summarised.

1. THE CONSTITUTIONAL BACKGROUND

The Australian Constitution establishes the jurisdictional basis for the administration, regulation and operation of transport in Australia. The Constitution spells out the powers of the Commonwealth (Federal) Parliament, and the residual powers rest with the States. The main clauses of the Constitution concerning transport are:

S.51 The Parliament shall, subject to this Constitution, have power to make laws for the peace, order, and good government of the Commonwealth with respect to (i) trade and commerce with other

countries, and among the States

S.92 The imposition of uniform duties of customs, trade, commerce, and intercourse among the States, whether by means of internal carriage or ocean navigation, shall be absolutely free.

S.98 The power of the Parliament to make laws with respect to trade and commerce extends to navigation and shipping, and to railways the property of any State.

S.99 The Commonwealth shall not, by any law or regulation of trade, commerce, or revenue, give preference to one State or any part thereof over any State or part thereof.

S.101 There shall be an Inter-State Commission, with such powers of adjudication and administration as the Parliament deems necessary for the execution and maintenance, within the Commonwealth, of the provisions of this Constitution relating to trade and commerce, and all laws made thereunder.

S.102 The Parliament may by any law with respect to trade or commerce forbid, as to railways, any preference or discrimination by any State, or by any authority constituted under a State, if such a preference or discrimination is undue and reasonable, or unjust to any State; due regard being had to the financial responsibilities incurred by any State in connection with the construction and maintenance of its railways. But no preference or discrimination shall, within the meaning of this section be taken to be undue and unreasonable, or unjust to any State, unless so adjusted by the Inter-State Commission.

S.104 Nothing in this Constitution shall render unlawful any rate for the carriage of goods upon a railway, the property of a State, if the rate is deemed by the Inter-State Commission to be necessary for the development of the territory of the State, and if the rate applies equally to goods within the State and to goods passing into the State from other States.

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Thus, the Commonwealth has jurisdiction over international, interstate and intra-territorial transport, though it is constrained by the specific provisions of some sections of the Constitution and is gradually transferring some powers to the Northern Territory and Australian Capital Territory legislatures.

The Commonwealth Government is the owner of the larger airports in Australia, owns one of the five public railroads, a national shipping line, and two commercial airlines (one international and one interstate) and contributes to road construction through grant programs funded partly from hypothecated gasoline taxes. Administration of these responsibilities is through Commonwealth Departments and Statutory Authorities—the latter being used for most of those activities that can be considered to be public trading enterprises.

The Governments of the States have jurisdiction over intrastate transport and have traditionally administered these responsibilities among modal lines with separate Departments and Statutory Authorities for each mode e.g. railways, roads, harbours, and services, regulation, safety, driver licensing and vehicle registration, and so on. Many of these bodies, are, or have been, strongly independent in their actions but the trend recently has been to closer integration of the transport portfolios. The first attempts to coordinate and direct all aspects of State transport policy and planning came in Western Australia in the mid-1960s, but the pace of change to integrated State Departments of Transportation is slower than in North America. South Australia established a Department of Transport in 1972, and integrated its urban public transport and sold its State railway to the Commonwealth two years later, but the modal interests still exist in the portfolio. Victoria moved in 1983 to make radical changes in its transport organisations, whilst Tasmania, New South Wales and Queensland all have separate Cabinet Ministers for roads and transport, which acts as a barrier to the development of integrated transport policy and advice.

In all States the administration of marine matters and harbour activities is separated from other forms of transport. Although this approach is often justified by port activities being viewed as more a public works or economic development function (or both), the activities of the marine organisations are often carried out in the same isolation from these functions as they are from transport. The new State Transport Authority in Victoria has the power to integrate more closely the work of the

State's ports and its country (non-metropolitan) rail system.

Regional government and large metropolitan Governments are not a common phenomenon in Australia. The Brisbane City Council, which runs the bus services in the Brisbane metropolitan area, is the only exception to the rule that State Governments in Australia carry out many of the functions which would be associated with metro regional governments in North America. In general, local governments are small units (e.g. there are 29 councils to serve the Adelaide metro population of less than 1 million) whose major transport responsibilities cover local streets, parking, sidewalks, local (paratransit) bus services, and small airport operation.

The construction and maintenance of local streets, and the supervision of developers of new subdivisions who are required to pre-provide the local roads, is a major task in a country like Australia where, in urban areas, low density suburbs with single family homes on small lots are norm, and in rural areas the population is thin with long distances linking small towns and service centres. The funding is from local tax revenue (rates), Commonwealth Government general purpose grants and local roads grants, and minor contributions from State Governments. One innovative aspect of local councils' work in recent years has been the streetscaping carried out by the central city and inner suburban municipalities, often allied to improved facilities for cyclists and pedestrians.

Local councils, working with voluntary agencies and service clubs, also play a valuable role in the development and operation of paratransit-type bus and taxi services to supplement the transit authority routes in districts where for various reasons regular route transit service is not available, or in communities where conventional service is not appropriate. The South Australian community bus program, for example, now assists 22 municipalities. The State Government provides grants for the purchase of vehicles, and local government is responsible for operations, maintenance and replacement.¹

The private sector shares almost equally with government bodies, in the provision of transport services in Australia. Although the government-owned railways predominate in the public eye, private railways have long been part of the Australian transport scene, particularly when haulage of bulk commodities (e.g. coal and iron ore railways) or other singular purposes (e.g. sugar cane tramways) are involved. The newer and larger private railways haul iron ore

from interior mines up to 250 miles in unit trains to the coast of north-western Australia.

Road transport in Australia, as in much of the western world, is characterised by privately owned vehicles operated on government provided infrastructure financed largely from dedicated taxes and charges. This inter-relationship creates a situation in which the regulation of road transport has developed into a growth industry, with conflict between the efficiency of the service providers and the economics of roadway. While the economic regulation of road transport in the form of control over entry and rates is slowly declining in Australia, the same cannot be said for technical regulation, which continues to exist, often in the (hard to resist) guise of safety regulation.

Private enterprise in the air transport industry is most visible in the activities of Ansett Transport Industries Pty. Ltd., which in turn is part-owned by the TNT group of transport companies. In addition to its road freight activities and bus line, Ansett operates one of the two national interstate air carriers (the other is government-owned), plus subsidiary intrastate airlines in four States and the Northern Territory. Most third level air carriers are private companies, and a recent development (as a result of deregulation of air freight transport) is the establishment of a major interstate freight airline—part of the IPEC transport group—and several smaller companies concentrating on overnight service between State capitals and smaller towns for high-value freight (e.g. computer tapes) and time-affected commodities (e.g. newspapers, lobsters, tropical fruits).

Similarly in sea transport, whilst the Commonwealth and some State Governments operate ships, the greater part of marine transport is owned and operated by the private sector, both commercial and private fleets.

The following sections of this paper describe (2) the organisation of the Commonwealth Government's transport interests, incorporating the role of and the impact on the private sector where appropriate, (3) transport in the States, drawing on South Australia as an example of Statewide transport infrastructure, and drawing out some significant differences in the other States. The final section (4) briefly comments on the possibility of an Interstate Commission for Australia as provided for in S.101 of the Constitution, and also summarises the existence of national transport research organisations which will have to relate to and could be affected by the existence of such a Commission.

2. THE COMMONWEALTH'S TRANSPORT ACTIVITIES

The current organisation of the Commonwealth Government's transport portfolio is not in accordance with the ruling Labor Party's transport policy. After over seven years in opposition, the Australian Labor Party was elected to government in March 1983; its transport policy states:

"Since separate Departments responsible for Aviation and Surface Transport have now been established, Labor will continue these arrangements under a single Ministry of Transport. This will enable policy concerns at top level to be coordinated and inter-modal interests to be accommodated in a national policy perspective thus ensuring that the public interest is best served."

In practice, two Ministers were appointed, one for Transport and one for Aviation, reflecting two related problems with which successive State and Federal Governments have found awkward to contend: that policy considerations often take second place to administrative expediency and that integrated transport policy is easy to enunciate but difficult to implement. Whereas it is deemed appropriate to consider transport as one policy portfolio, to speak with one voice in Cabinet, in fact Australians have had separate Ministers responsible for Roads, Railways, Transport, Marine, Civil Aviation, and so on.

The Commonwealth Department of Transport is responsible for policy, planning, administration, regulation and operations of surface (land and sea) transport. Its marine operations concern mainly the operation of lighthouses and navigation aids, whilst its regulatory functions cover safety of ships and shipping. The policy and planning function also covers marine transport, plus road and rail transport. Financing of surface transport and the administration of Commonwealth road grants are important functions of the Department, which can call on its Division of Road Safety and the associated resources of the Bureau of Transport Economics for research assistance.

The Department of Aviation was split in 1982 from what was a larger Department of Transport that had existed since 1973. A strong aviation lobby had resisted the Shipping & Transport/Civil merger during those intervening years. The Department of Aviation is a large department operating all major city airports (and many smaller ones) in Aus-

tralia plus the air traffic control function, safety regulation of aircraft operations, pilot licensing and testing, and so on. A clear parallel (before the 1982 split) is found in the Air Transport Administration of the Canadian Ministry of Transport (Transport Canada—indeed there was a move at one time to call DoT "Transport Australia"). The Commonwealth's jurisdiction in international transport is reflected in a strong policy division dealing with bilateral negotiations and treaties, which has a counterpart in the domestic policy arena. Despite the Constitution, the Commonwealth exercises strong regulatory control over interstate air transport through its "Two-Airline Policy" and also exercises considerable de facto control over intrastate air transport, under the Constitutional corporate business powers.

For many years the Commonwealth has sought to reduce its commitments to local airports, through gradual transfer of small airports to local government or other appropriate organisations. The Airport Local Ownership Plan has been in operation since 1957 and the size of the airports being transferred has gradually increased the two most recent examples of Cairns, Queensland (pop. 49,000) and Devonport, Tasmania (pop. 23,000) were transferred to local harbour boards which were reconstituted as Port Authorities on the U.S. model. Negotiations are proceeding on the possible transfer of the airports serving Alice Springs, N.T. (pop. 18,000) and Adelaide, S.A. (pop. 934,000), though in these cases the recipient would be more likely to be the Territory and State Governments respectively, rather than local government related organisations.

One other Commonwealth Government Department with major civil transport responsibilities is the Department of Territories and Local Government, which operates the bus services and has road, transport regulation and traffic responsibilities in Canberra (pop. 245,000), the national capital of Australia, which is within a special federal territory wholly enclosed by the State of New South Wales. Canberra is a planned city, and the statutory body responsible for the planning function—the National Capital Development Commission—includes transport planning in its responsibilities.

In addition to the Commonwealth Departments, there are four major business enterprises, two reporting to the Minister for Transport: the Australian National Railways Commission and the Australian Shipping Commission, and two to the Minister for Aviation: the Australian National Airlines Commis-

sion and Qantas Airways Ltd. In addition, a number of other Commonwealth bodies influence transport policy, planning and operations in various ways.

The Australian National Railways Commission (AN) is responsible for the efficient management and operation of all Commonwealth owned Railways. ANRC was formed in 1974 after the States of South Australia and Tasmania sold their railways to the Commonwealth Government. (It should be noted that urban passenger railways were not involved to any extent as S.A. retained its suburban operations and those remaining in Hobart, Tasmania, were closed.) The two State railways were merged with the former Commonwealth Railways, which operated the Trans-Australian, Northern Australian, Central Australian, and ACT railways. Thus AN now operates the railways in S.A., Tasmania, ACT and Northern Territory, and in Western Australia from the S.A. border to Kalgoorlie.

The Australian Shipping Commission (ANL) operates 13 vessels in overseas trades and 18 in coastal trades, including one vehicle deck passenger ship to Tasmania: the "Empress of Australia." Other than this ship, all ANL vessels are for freight traffic, including bulk traffics and containers, for which the line uses both its own terminals at most major Australian ports, plus public wharves and loading terminals elsewhere.

Qantas Airways Ltd. is the government corporation providing international air service linking Australia with Europe, Asia, North America and, from time to time, Southern Africa. The trunk routes are from Australia to Europe (the Kangaroo route) via south and south-east Asia, and to the U.S. via the Pacific route. Strong regulatory control has ensured limited competition for the Australian flag carrier and its bilateral equivalents (British Airways, Pan Am etc.) from charter operators or low cost regular route competitors such as characterise the North Atlantic route. Even so, the South-East Asian airlines have been able to provide strong competition by end-to-end linking of their services e.g. Phillipine, Garuda Indonesian, Thai, Singapore and Malaysian airlines. Even Japan Airlines, Air India and South African Airways capture small proportions of such traffic, and recent cooperative round-the-world ticketing ventures (e.g. Continental/KLM, Qantas/TWA) have brought new vigor into airline marketing from Australia. There are fourteen airlines competing for Australia to Europe traffic and seven on the Australia-North America routes.²

The domestic flag carrier is Trans-

Australia Airlines (TAA) the trading name of the Australian National Airlines Commission, which operates trunk airline services in carefully structured and tightly regulated competition with Ansett Airlines—the airlines provide almost equal capacities in accordance with the legislation used to enforce the two airline policy e.g. the Airlines Equipment Act ensures the maintenance of comparable, but not identical, fleets e.g. both airlines run B727-200s, but whereas TAA refurbished DC9s and bought A300 Airbuses, Ansett bought B737s and B767s.

A more recent adjunct to the Commonwealth's aviation bodies is the Independent Air Fares Committee which commenced operation in November 1981 under its Act passed earlier that year. "The Committee is responsible for the determination of air fares arising from major and minor reviews and for decisions on discount air fares covering all regular public transport (RPT) passenger air services on interstate and/or inter-territory routes and intrastate/intra-territory routes by incorporated bodies."³

The Bureau of Transport Economics, attached to the Department of Transport but empowered to provide independent advice to the Minister of Transport and, if required, to other Commonwealth Ministers, undertakes research and analysis covering all modes of transport. In 1977 BTE absorbed the former Bureau of Roads and its function of advising on Commonwealth expenditures on roads. The Commonwealth also has a strong involvement in the national road and rail research bodies, the Australian Road Research Board and the Australian Railway Research and Development Organisation, although its voting strength on the boards of these companies is not proportionate to its financial contribution.

3. TRANSPORT IN THE AUSTRALIAN STATES

Public sector activities in the Australian States have traditionally been organised along modal lines, and the extent to which integration of the administrative, operational and policy functions has been achieved varies considerably.

In South Australia in 1972, there were eleven departments, agencies and statutory authorities reporting either directly to, indirectly to, or to Parliament through, the Minister of Transport,⁴ each one reporting independently and taking little or no notice of the activities of the others, indeed their enabling legislation often encouraged or forced them to do so. Two of the organisations

were operational (South Australian Railways and Municipal Tramways Trust), one was a constructing body (Highways Department) and the rest were regulatory (e.g. Transport Control Board, Motor Vehicles Department, Taxi Cab Board, Road Traffic Board), advisory (Road Safety Council, Metropolitan Transport Committee) or administrative. The Marine & Harbors Department was developed from the former Harbors Board in 1967.

Why the various organisations were so established is not clear.⁵ Two regulatory bodies which were self-financing were subject to limited Ministerial control (Taxi & Transport Control Boards), yet the largest self-financing regulatory organisation was a department of government. Similarly, although the S.A.R. and Highways Department had differing statutory relationships to the government, with public servants in the latter but not the former, both operated as government departments.

Although not as dramatic as might have been expected, some progress has been made in administrative reform. By elimination of some bodies and reform of others, the Transport portfolio has been reduced to three main organisations the Highways Department, the State Transport Authority and the Department of Transport. The Highways Department is responsible for building and maintaining the State's main roads and associated works, and the State Transport Authority (which resulted from a merger of the Tramways Trust and the metropolitan part of the former S.A. Railways) is the operator of Adelaide's metropolitan passenger transport system of 753 buses, 26 trams and 164 suburban rail cars. The Department of Transport was a catch-all formed from four former agencies to become the policy, planning, administration and finance arm of the portfolio. (The Department of Marine & Harbors remains separate; since 1980 the Minister of Transport has taken on the additional responsibilities of Minister of Marine, though the allocation of portfolios can vary over time, as was seen in the Commonwealth Government.)

The first coordination efforts in the mid-1970s were in the public transport area, reflecting the then Labor Government's priorities: establishment of the STA, sale of the non-metropolitan railways and integration of former privately operated bus routes into the STA operations. The Liberal Government elected in 1979 gave high priority to road safety and formed a new Road Safety & Motor Transport Division incorporating activities previously spread over three smaller bodies. There has been a

gradual reduction in the number of statutory bodies and a closer relationship of all bodies, changing the "arms-length" status by providing (or using) powers of Ministerial direction and by developing Department and portfolio corporate plans.⁶

Other policy initiatives in South Australia in recent years have been the maintenance of a general policy of deregulation⁷ and the development of international air services. All political parties espouse deregulation to some extent in their policy manifestos, but other objectives can be used to maintain regulation e.g. encouragement of small business. Only taxis and intrastate buses are regulated in South Australia, and moves to deregulate these sectors are slow due to pressures within their ranks. In addition, a range of technical and safety regulations, such as size and weight controls on trucks and controls on tow-trucks have an effect on the economics of transport industry, whilst some private transport concerns which have established and prospered because of the policy of unrestricted entry and free competition sometimes turn to the government seeking protection from further competition.

Making improvements to the States' investment programs for public funds in transport in Australia is constrained by the fact that financing of roads, public transport, air transport and marine transport is not a single process.⁸ Road funds are drawn about half from Commonwealth Government grants (from fuel tax) and half from State road user taxation—drivers' licence fees, vehicle registration fees and fuel levies. The S.A. fuel levy was introduced in 1979 and now represents 36% of taxation revenue, giving hope that the present system of fixed charges will be replaced gradually by charges reflecting vehicle use.

One policy field in which the other States of Australia differ from S.A. is in the extent of intrastate regulation. Commissioners of Transport with varying responsibilities are found in W.A., Tasmania and Queensland, with a Commissioner of Motor Transport in New South Wales. Their duties are mainly regulatory, although in Tasmania the Commissioner formerly ran the railways in the State, and when those railways were sold to the Commonwealth, the Commission became a Department of Transport with a stronger policy and coordination role. The Commissioners in N.S.W., Queensland, Western Australia and Tasmania, together with the Northern Territory Government, all licence intrastate air services, though it is evident that neither service nor profitabili-

ty are affected to any extent.⁹

Whereas South Australia has made gradual moves towards integration of its transport portfolio, the Labor Government elected in 1982 in Victoria adopted an instant action program to reform its transport portfolio: it appointed a Director-General of Transport to head a new Ministry of Transport, which was given broad powers in the policy, advisory, transport financing and planning areas; split the Victorian Railways into metro and non-metro Authorities, combining the former with Melbourne's tram, government bus and regulated private buses into a Metropolitan Transport Authority; and revamped the regulatory and safety organisations. The success of these reforms has yet to be measured, but this approach to change is less vulnerable to challenge from within than is the case with the incremental technique.

The growth of the nation's intercity coach network has been slow, despite the free entry permitted by the Australian Constitution. One reason (not unique to Australia) was the government ownership of railways, and the activities of State regulatory authorities which limited the intrastate pick-up and set-down rights of all carriers in competitive or potentially competitive routes. With the decline of country passenger train service, the potential for private bus operators to provide suitable replacement services has been greatly enhanced, and has had the dual benefits of improving the companies' viability and reducing the State rail deficits. However, there is considerable variation in the way different States have implemented rail replacement bus services e.g. W.A. and N.S.W. operate railway-owned bus services, the former mainly through services replacing trains, the latter by the encouragement of feeders to railheads. Feeder services are also found in Victoria, but are provided by private companies contracting to the State Transport Authority. Tasmania has eliminated rail passenger services and few country trains remain in South Australia, where rail replacement can be achieved by increasing the pick-up and set-down rights of existing bus operators in most cases.

Some State Governments continue to operate coastal shipping of some sort, the most common being launches, ferries and supply ships to off-shore islands e.g. the State-owned M.V. Troubridge in South Australia serves Kangaroo Island; various private launches link Queensland ports with vacation islands on the Great Barrier Reef; Commonwealth, State and private vessels link Tasmania to the mainland States¹⁰ and

predominantly freight vessels serve the islands off the north coast of Australia. The Western Australian Government runs a fleet of "Stapships" linking its coastal settlements with one another, with the State's main port of Fremantle and with other States.

4. RESEARCH AND INQUIRY: AN INTERSTATE COMMISSION?

In the Adelaide Transportation Report,¹¹ Dr. Sig Breuning identified the need for the State of South Australia to develop a competence in transport research, within the public sector, and in association with local industry and the State's two universities and Institute of Technology. Breuning pointed out that little research was being carried out in the formerly modally-oriented agencies, but more importantly many transport issues were not being addressed at all.

As a result of the formulation of a Transport R&D program during the 1970s, transport research is undertaken in-house by the policy research staff of the Department of Transport, some is contracted to consultants, and some through grants to the universities. Most is a combination of all three e.g. the transport operations cost analysis.¹² Some examples of the financial support for research are grants to electric vehicle research at Flinders University,¹³ the scholarships and fellowships program, the hosting of several international transport research seminars (e.g. behavioural modelling,¹⁴ paratransit¹⁵) and the co-founding of the Australian Transport Research Forum.¹⁶ The post-graduate scholarships and post-doctoral fellowships are tenable at the University of Adelaide, Flinders University and the Institute of Technology. In addition, there is a Professorial Research Fellowship in Transport Policy, currently held by David Starkie in the Economics Department at the University of Adelaide, whose current research embraces several policy areas of direct concern to the State Government, plus his own fields of interest in Australia¹⁷ and overseas.¹⁸

Despite these advances, improvements to transport planning methodologies, and support for university programs in other States, transport research tends to be the poor relation in planning-research-policy family of tasks and a major aim is to restore the balance in the 1980s, not an easy objective as research is often in the front line when cuts in government spending are being considered. Dr. Breuning's recommendation of a Transport Research Institute linking the government and the universities, similar to the Texas Transportation Institute or the Ontario cen-

tres of excellence, is a desirable long-term objective, but it is too ambitious at the State Government level in Australia at present. Strengthening the links to and support for the retention and closer inter-relationship of the Australian Road Research Board (ARRB), the Australian Railway Research & Development Organisation (ARRDO) and the Bureau of Transport Economics (BTE), are more immediate priorities.

ARRB, ARRDO and BTE are three research organisations with modal (road, rail) and professional (economic) emphases which distinguish their work and responsibilities. As noted earlier BTE is a Commonwealth Government research unit, whereas ARRB & ARRDO are joint federal-state non-profit organisations which are funded by several parties but rely heavily on direct or indirect grants from the Commonwealth Government. ARRB, ARRDO and BTE are organisations with cadres of researchers providing written reports and numerate outputs which assist transport policy and planning.

In contrast, there are a number of transport advisory bodies in Australia, mainly "talking shops" at which current issues are aired and hopefully resolved. Although the success rate in economic policy areas is not high in these bodies, their record in developing uniform technical standards for Australian transport is good. The organisations include the following.

- ATAC—Australian Transport Advisory Council—Comm./State (Ministers)
- TIAC—Transport Industries Advisory Council—Commonwealth
- AVIAC—Aviation Industry Advisory Council—Commonwealth
- MPCA—Marine & Ports Council—Comm./State (Ministers)
- NAASRA—National Assn. of State Road Authorities—Comm./State (Officers)
- RoA—Railways of Australia—Comm./State (Officers).

All these organisations have spawned a raft of working groups, standing committees, sub-committees, etc. However, several major issues are still not tackled by them, partly because (as per Breuning's comments on State deficiencies) they are modally oriented and/or limited in their effectiveness by their advisory roles, and also must operate on a consensual basis, thus further lessening their ability to formulate, introduce and enforce new initiatives, policies and programs.

One body that might make a useful contribution to the development, enunciation and clarification of transport pol-

icy in Australia is the Interstate Commission,¹⁹ which is provided for in the Australian Constitution, enacted for by the Commonwealth Government, and is part of the Commonwealth Labor Government's policy.²⁰ Yet the Commission does not exist and has not done so since 1920 when the first Commission was allowed to fade away by the simple technique of not reappointing its members nor appointing any replacements.

The first Interstate Commission was established in 1913 but only operated for seven years. It was allowed to lapse after one State had successfully challenged the part of the legislation that conferred judicial powers on the Interstate Commission. A new Act was passed in 1975²¹ but has never been proclaimed. It was passed during the term of a Labor Government but only after considerable amendment by the Senate, with the result that if or when the Act is proclaimed, the Interstate Commission will not be the arbitrator and administrator of all laws relating to interstate trade and commerce, as seen by the Constitution, but an advisory and investigatory body reporting to the Minister.

The policy of the Commonwealth Government elected in 1983 contains a commitment to re-introduce the Interstate Commission; at the time of writing it is not clear whether the existing Act will be proclaimed or a new Bill presented to the Parliament. The Minister of Transport has stated:

"Our Government sees the Interstate Commission as an important force in promoting the rational development of national transport policies. . . . It will not be a regulatory body—rather like an on-going Royal Commission, advising the Government by a process of investigation, consultation, publication and recommendation."²²

In which case the existing Act would appear to be adequate, whereas the Constitution envisaged the Interstate Commission having powers over "trade and commerce," not simply transport. It has been suggested that the Interstate Commission could be much more wide ranging, providing input to the settlement of a broad range of disputes that occur in Federal systems of government.²³ e.g. fiscal equalisation, industrial relations related to interstate trade and commerce, and relations between governments and industry, particularly where government corporations compete with private firms in a regulated market.

Thus, the Interstate Commission as

enacted for in 1975 may be a watered-down version of that provided for in the Constitution but its investigative powers should assist the resolution of several outstanding transport issues in the Australian interstate and national scene.

FOOTNOTES

1 P. D. KEAL, *Community Buses in South Australia*. Report to Director-General of Transport, South Australia, January 1983.

2 R. J. YATES, *Regulation and Deregulation in International Aviation*. Paper presented to the 4th National Transport Symposium, Chartered Institute of Transport, Hobart, 1983.

3 Independent Air Fares Committee, *Cost Allocation Reviews*. AGPS, Canberra, August 1982, Vol. 1, p. 1.

4 Transport Planning Implementation Committee, Adelaide, 1971.

5 For a more detailed description of the background to transport in South Australia see: D. SCRAFTON, *Managing Transport Integration in South Australia*, Australian Journal of Public Administration, Vol. XII, December 1982.

6 See, for example: Director-General of Transport, *Corporate Plan for the Department of Transport 1982-83*, Adelaide 1982. Also Minister of Transport, *Improved Transport for South Australia*, Adelaide, 1982.

7 For more information on deregulation experiences in South Australia, see J. C. NELSON, *Regulatory Performance in Surface Freight Transportation in Australia, Canada, Great Britain and the U.S.A.*, International Journal of Transport Economics, Vol. VII, No. 2, August 1980. Nelson's paper also contains a comprehensive list of references.

8 See, for example: R. ELSE-MITCHELL, *The Australian Federal Grants System and its Impact on Fiscal Relations of the Federal Government with State and Local Governments*, Australian Law Journal, 54, August 1980, pp. 480-488.

9 M. M. STARRS & D. STARKIE, *Unregulated Airline Markets: The South Australian Experience*. Paper presented to 8th Australian Transport Research Forum, Canberra, 1983.

10 In 1976 the Commonwealth Government introduced the Tasmanian Freight Equalisation Scheme, which was "designed to equalise door-to-door freight costs of moving certain eligible commodities between Tasmania and the mainland by sea" with those on the mainland moving by road or rail. (Australian Bureau of Statistics Year Book, Australia 1982, p. 482) The Bureau of Transport Economics has reported on the usefulness of this program, the payments under which in 1980/81 were over \$20m. The subsidy scheme has parallels with those in operation in Canada's Atlantic Provinces.

11 Social Technology Systems Inc., Adelaide Transportation Report, Newton, Mass., 1970.

12 See, for example: R. Travers Morgan Pty. Ltd., *Adelaide Bus Costing Study, 1978* and *Adelaide Rail Costing Study, 1980*. Both reports prepared for the Director-General of Transport, South Australia.

13 *Electric Vehicle Project: Final Report 1980*, Flinders University Electric Vehicle Group, Flinders University of South Australia.

14 D. A. HENSHER & P. R. STOPHER (eds.) *Behavioural Travel Modelling, 1979*, Croom Helm, London.

15 *Paratransit: Changing Perceptions of Public Transport*. Proceedings of a Workshop held in Mount Gambier, South Australia, AGPS, Canberra, 1980.

16 The 8th Australian Transport Research Forum was held in May 1983. Papers are published in a manner similar to those in the U.S. and Canada.

17 See, for example, references in footnotes (8) and (20). Also J. STANLEY & D. STARKIE.

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18 D. STARKIE, *The Motorway Age: Road & Traffic Policies in Post-War Britain*, Pergamon Press, 1982.

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23 P. E. RAE, *op. cit.*, pp. 10-18.