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ADMINISTRATIVE JURISDICTION AND COORDINATION;
THE CASE OF THE AUSTRALIAN DEPARTMENT OF
URBAN AND REGIONAL DEVELOPMENT 1972-5

by

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PREFACE

This thesis with its virtues and flaws is all my own work. I thank people for their help but blame none of them. The encouragement to undertake the research came originally from Dr Ross Curnow and the late Professor Dick Spann who between them carried out the important early phase of supervision. I record my gratitude to them both. Dr Martin Painter took over supervision on Dick Spann's death and has been of unfailing assistance to me. He has been colleague and friend and I thank him for his efforts on my behalf. During the early research Dr Peter Loveday kindly arranged for me to have a room in the Research School of the Social Sciences at the Australian National University. I thank him and the Research School. The officials of the Australian Department of Environment, Housing and Community Development, who appointed me the Department's official historian thus giving me access to their files, are high in my affections.

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FOR HILARY

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LIST OF MAIN ABBREVIATIONS

DAA	Aboriginal Affairs
DOA	Agriculture
A/G's	Attorney-Generals
DCT	Capital Territory
DOD	Defence
DOE	Education
DEC	Environment and Conservation
DFA	Foreign Affairs
DOH	Housing
DHC	Housing and Construction
DLI	Labour and Immigration
DMI	Manufacturing Industry
DME	Minerals and Energy
DPMC	Prime Minister and Cabinet
DSP	Services and Property
DSS	Social Security
SMOS	Special Minister of State
DTR	Tourism and Recreation
DOT	Transport
DURD	Urban and Regional Development
PSB	Public Service Board

A. INTRODUCTION

CHAPTER ONE

THE DEPARTMENT OF URBAN AND REGIONAL DEVELOPMENT
AND THE RELATIONSHIP BETWEEN JURISDICTION AND COORDINATION

The history of the Australian Department of Urban and Regional Development (1972-5) is the story of the unsuccessful efforts of that Department's minister and senior officials to gain control of a portion of the work of government they believed had been entrusted to them. That story is the subject of this thesis.

There is little doubt that the new Prime Minister, Gough Whitlam, the Minister for Urban and Regional Development, Tom Uren, and Uren's principal advisers, Pat Troy in particular, intended the Department (DURD) to be something special¹. That intention was not clearly expressed in the Administrative Arrangements Order (AAO)² of 19 December 1972, in which DURD's principal tasks were listed in Column Two:

Matters related to city and regional planning and development, including assistance to, and co-operation with the States and local governing bodies.

It was another three months before it became clear how DURD's promoters interpreted its grant of jurisdiction.

In an aide memoire prepared by DURD as a discussion document for a meeting, held on 2 March 1973, involving the Prime Minister, Minister for URD, Chairman of the PSB, and several other officials and advisers, a jurisdiction for DURD was represented as emerging from the AAO wording³.

The phrase "assistance to and co-operation with the States and local government bodies" was said to refer to the allocation of resources through an urban and regional budget program which

would require machinery for the integration and co-ordination of resources allocated under the proposed Regional Grants Commission, special purpose grants, tied grants such as the Commonwealth Aid Road(s) Agreement, the proposed assistance to the States for the New Cities programme, the proposed Land Commissions and applications to the Loan Council⁴.

Here was a reference to a Regional Grants Commission. This body was proposed by DURD as an essential part of the mechanism linking the federal and local levels of government. Through it would pass much of the funding to allow local government to implement parts of the urban and regional budget program. There was already in existence a Commonwealth Grants Commission which was represented in the aide memoire as a "states body operating at a modest level of activity". It was intended that both Grants Commissions would co-exist. Uren and his advisers believed that local government had to be restructured and a new Commonwealth/local relationship established, a belief shared by the Prime Minister. Part of the scheme was to give the local level access to the Loan Council. Uren felt that merely amending the Grants Commission would not achieve all that a separate Regional Grants Commission could, because of its associations with a Commonwealth/State approach and with the Australian Treasury. A new Commission, having a strong relationship with DURD, was seen as vital to Uren's plans:

The comprehensive operations of the Regional Grants Commission would form part of the co-ordinating machinery of the urban budget programme⁵.

It was never created, the idea not getting to first base with the Prime Minister and his Cabinet colleagues.

The second phrase from the AAO, "planning and development" was said to include "the siting, sequence of development and provision of" such things as land, housing, transport, roads, education facilities, water supply, sewerage, telecommunication facilities, with "etc." added in case anything had been missed⁶. Of these matters and DURD it was claimed:

The Department will not be able to discharge its responsibility to alter the national pattern of urban development or increase the welfare of citizens unless it has a major role in policy advice and in Government's co-ordination of investment in these matters⁷.

So a part of DURD's primary role was seen to be the "co-ordination of investment" in a vast range of government activities which, according to the AAO, were the primary responsibility of a large number of other departments. DURD indeed was pictured as a controller by its promoters.

The primary mission of DURD was to develop a national urban strategy and budget to provide a framework for tackling the problems of urban and regional development. These two, the strategy and budget,

probably come nearest to embodying the essence of the job the department has before it - the restructuring and co-ordinating of investment in urban and regional development, so that access to urban services and facilities is equalised, and more Australians have the opportunity to lead a fulfilling life⁸.

The scheme which Uren and DURD proposed to implement was nothing short of a revolutionary restructuring of federalism to be achieved

through control of a large part of the domestic expenditure of the Australian Government. Where and when resources were to be allocated would be decided within the framework of the urban and regional budget. As the Commonwealth/local relationship was intended to prosper through the increasing importance of regions, so the role of the States was intended to decline:

It is clear from the Party Platform, the Policy Speech and from all the speeches made on the subject of urban and regional development over the past five years that the Australian Government intends to restructure and change the nature of Commonwealth/State financial relationships. It is evident that the Australian Government intends doing this by harnessing its resources allocated to the entire programme of urban and regional development. That is, this Department will have a major role in effecting this restructuring of Commonwealth/State relations⁹.

The secondary part of DURD's role was to carry out

... specifically identifiable tasks, such as the establishment of new cities, the creation of Land Commissions to help solve high land prices and scarcity, the delineation of regions and assistance to local government, the alleviation of the urban sewerage backlog, metropolitan area improvement programs and the placing of Australian Government office blocks¹⁰.

Despite having these specific tasks, all viewed as important, and all involving Australian Government expenditure, DURD's role was "not primarily to be a spending department"¹¹. It could be considered a welfare department but only "in a much broader sense than is usually associated with the traditional view of welfare activities in terms of pensions and concessions"¹².

Uren's and DURD's claims cut across and challenged the functional responsibilities of most ministers and their departments. Wherever there was to be government spending within Australia, DURD was interested and

wanted a strong say in where, when and how the dollars were to be spent.

Administrative Arrangements and Jurisdictional Conflict:

A new Australian government inherits much besides the Treasury Benches from its predecessor, including an established bureaucracy and all that comes with it: a particular organisational shape (administrative arrangements); an established coordination model (central authorities) to provide some coherence and consistency; legislation, rules, regulations and executive orders to control its activities; and permanent officials with their established procedures and networks of contacts and understandings. A new prime minister can do nothing, at least in the short term, to change most of these things. Avoiding upheaval in the administration with its threat to the continued orderly performance of government on a day-to-day basis is a priority of all prime ministers. What a new prime minister can do immediately is begin the process of reshaping the executive by issuing a new Administrative Arrangements Order (AAO). By abolishing some portfolios, creating new ones, usually from parts of the old, amalgamations and name changes, he causes parallel changes to occur at the departmental level. The shape (in this sense) of the Executive is important if only as a reflection of the purposes and priorities of a government. It represents on paper the collective aims, hopes, ideology (if appropriate), even dreams of a party or coalition. It also reflects the overlaps, ambiguities, inconsistencies and gaps inherent in any modern government's program as well as any physical constraints, such as the number and size of portfolios, put upon the Prime Minister's scheme by his Party.

The literature of administrative arrangements is vast. Much of it is unsatisfactory to the extent that it concentrates on administratively

rational structures, either prescribing them, as if a government should mould its priorities and activities to fit them, or rejecting them completely as politically naive¹³. The core statement of the prescriptive literature is that there are principles for structuring organisations according to whether emphasis should be on its major purpose, process used, clients, or geographical area served¹⁴. The thrust of this approach is the search for administrative neatness, which may account for its continued popularity. It seems to promise efficient, effective achievement of tasks. The corollary is that a lack of neatness implies inefficiency, waste, confusion and perhaps worse. When this rational approach is urged for governments there is invariably insufficient consideration given to the historical situation into which the prescription is to be introduced. In a Westminster system, where there is a mixture of portfolios which can be described as emphasising various of the principles, there is a particular problem of competing or even conflicting aims of organisations which all serve the same master, Cabinet.

In a Cabinet system the business of government is divided up and allocated to particular ministers and their departments¹⁵. The division is arbitrary whatever its basis and cannot be neat with clear demarcations of jurisdiction. In addition to overlap there are also gaps where no department has responsibility. Whichever way the cake of government business is cut, jurisdictional difficulties occur as departmental interests and claims, some long established, come into conflict. Even if it were possible to make the magic division of government business which avoided jurisdictional difficulties it could not be maintained (except by more magic) as new items of policy are often hard to fit neatly into the existing jurisdictional boxes.

A political promise can affect the activities of several policy departments. For example, a promise to improve the health care of aborigines, instead of being a special task for the health minister, may find competing interest from an aboriginal affairs minister and from a minister responsible for a geographical area in which a large population of aborigines live, say the Northern Territory. Literally thousands of similar examples involving two or more portfolios could be given¹⁶.

As priorities change among policies new foci of government activity are created. A government may make a special commitment to increase immigration, or fight unemployment, or privatise the economy, or nationalise key industries, or dismantle the welfare state or further the interests of minorities, or encourage growth and productivity in the economy and so on. Some combinations of these policy foci can exist concurrently without serious contradiction, others cannot. In all cases, a government's efforts to focus some and to defocus others, usually while not discarding them, involve change and the production of new overlaps. Even in settled situations of policy focus, overlaps may be created as when ministers and officials, in exploring the limits of their policy jurisdictions, challenge their policy neighbours with new schemes. Examples of this phenomenon appear in later chapters, but particularly in chapter four.

A new executive shape brings disruption (sometimes intended) to old interdepartmental communications, influence networks and other arrangements. Formal committees, meetings and other procedures, as well as informal arrangements among ministers and officials, give life to paper divisions of responsibility among ministers and departments. As the rude,

new executive shape destroys much of the old arrangements so new arrangements must be established. These arrangements are constantly in a state of flux, not just as governments change but also during the life of a government. As a government's priorities are changed or clarified, as ministerial personnel change, as the formal structure of government is amended, as a domestic crisis or foreign crisis with domestic ramifications has its effect, new committees are established, new relationships begun, and new special arrangements made. In this way the administrative arrangements, too, are in constant flux responding to the demands of government. This is a broader concept of administrative arrangements than appears in many machinery of government studies.

The Administrative Arrangements Order (about which more is said in chapter two) is the primary formal means available to a prime minister to control the level of jurisdictional problems implied by the mix of portfolio titles in a ministry. Whether he chooses to use it as such is another matter. In the AAO the listings of functions and legislation for which each minister is responsible serve, in the example just mentioned, to make one or other of the contending ministers primarily responsible for aboriginal health care. But making one minister primarily responsible does not negate nor limit specifically the interests of competing ministers and so the AAO of itself is not sufficient to prevent jurisdictional problems.

The shape produced by the Prime Minister with advice from party and official sources is a sketch with only slight details of administrative units. Almost inevitably, given the nature of the shaping process, it contains ambiguities, duplication and overlap. The Public Service Board (PSB) sees as part of its role the removal of such anomalies

in translating the Prime Minister's sketch into a highly detailed blueprint of government structure. There is a PSB commitment to the value of efficiency, to the efficient use of human resources in government. In seeking to promote that approach the PSB enters negotiations with departmental heads which sometimes last for several months before the details of departmental shape are finalised (as we see in one of the most interesting cases ever in this regard, explored in chapter three).

If the PM takes advice from the PSB or from public servants on a machinery of government committee on anticipating jurisdictional problems, the resulting AAO should precipitate fewer structural occasions for interdepartmental conflict in the short term. If he does not, then there is greater emphasis on the PSB's ability to minimise the possibilities for conflict through its control over organisation shape and human resources, and a greater possibility that it will be unable to avoid potential jurisdictional difficulties. The more work of this kind left to the PSB the more it is seen as obstructive of government efforts as it resists the demands of permanent heads for organisational capacities which imply overlap or duplication. It is an unenviable position for the PSB.

The practical approach taken by the PSB and other central authorities is largely a matter of ensuring that only one department has the specialist and administrative capacity and funding for a particular role or task¹⁷. So, in our example, the staff and other resources to develop necessary legislation and program details for aboriginal health care would be given to only one of the contending departments, (usually in line with the wishes of the Prime Minister), although other interested departments would have the capacity to liaise with the major departments on those matters. Of course, existing organisational capacities can often

be adapted by departments to suit new needs and so the PSB approach is far from foolproof, even in the short term, although it almost certainly prevents the worst excesses to be expected if ministers were allowed to build unrestricted their own administrative empires. Despite the PSB's best efforts, germs of jurisdictional overlap slip through at the departmental level to develop later into serious problems. Some examples of this phenomenon are explored in later chapters.

Dealing with Jurisdictional Conflict:

Given that two or more departments can have a legitimate interest in many government initiatives, procedures have had to be created to allow those interests to be reconciled at the departmental level. There is simply not enough time available to Cabinet to allow it to resolve every question involving jurisdictional overlap that arises, even though the theoretical demands of the Westminster model of government would appear to expect Cabinet to do so. At the departmental level getting 'clearance' from other departments is a major activity, clearance for draft Cabinet submissions, legislation briefs and drafts, green papers and so on. Wherever a matter touches even lightly upon the overlapping jurisdiction of another department, interdepartmental consultation takes place. Where the overlap persists, whether routinely or as a serious dispute, an interdepartmental committee may be established.

Only the most serious jurisdictional differences resist the reconciliation process and become a bother at the ministerial level. Even so, quite large numbers of such problem matters can appear before the Prime Minister and Cabinet where the complexity of institutional arrangements or the rivalry among policy positions produces difficulties

either greater in number or more serious than the conflict management arrangements can handle. Jurisdictional overlaps are a source of disputes among officials. These disputes can delay or even halt completely policy initiatives by one or other contending department and in an extreme case can mean that a minister is unable to make headway in a field of policy for which he and his department can validly claim responsibility, albeit in the face of valid competing claims.

The jurisdictional problems inherent in a government's policy agenda and particularly in its ministerial arrangements, are reflected in its departmental arrangements. There is a consequent need for extra administrative devices, procedures and other arrangements, formal and informal, to make the administrative arrangements work. The interdepartmental committee (IDC) is the most important of the formal devices used. IDCs are normally outside of the control of the political level and provide some of the most important means for bureaucrats to engage in their own form of politics in attempts to protect or further the interests represented by their departments. Thus administrative politics thrive on jurisdictional differences. These are increased in number and intensity when a new government takes office because of the way settled administrative arrangements are suddenly upset. This is most obviously the case when the new government is reformist, envisaging many changes quickly, such as the Whitlam Labor Government of December 1972. Conflict continues as a symptom until the particular jurisdictional problem at its root is solved or otherwise removed through action by the Prime Minister or Cabinet. In this way any division of government business among ministers can gradually be made to work for a government, but only if strong action to deal with the jurisdictional problems is taken as they arise. (It is a continuing task.) Otherwise, a government pays the cost

in the way many policy initiatives are delayed, watered-down or defeated and coordination tasks become impossible to achieve in disputes among ministers and especially among their departments.

Officials normally do not create the institutional problems by playing politics. It is rather the other way round: the existence of jurisdictional problems gives rise to the politics. It may be that a Prime Minister or his Cabinet is satisfied with a kind of policy Darwinism in which the institutional environment sets one minister and his department against others. But given the implications for government policy, and perhaps electoral success, in a Westminster system, that is not likely. It is more likely that a Prime Minister will make efforts to ease the interdepartmental friction without attempting to remove its source. That is, he will opt to manage rather than eliminate conflict. Elimination would involve a fundamental change reflecting a choice between ministers and the policies and jurisdictions they represent. An ordering of the priorities of government and hence of ministerial responsibilities implied in such a choice would not be well received within Cabinet. For this reason Cabinet government is not the ideal form for removing jurisdictional problems. Sometimes a temporary administrative solution can be found which masks the problem but, while preserving the peace, it is usually unsatisfactory to the ministers and departments involved.

Of course, a prime minister does not have to retain the shape chosen at the outset and none does. But remedies may or may not result from changes since they are usually made for the same kinds of political reasons which produced the original shape. A new set of jurisdictional problems might be created to replace the old. What results, because of the continuation of institutional difficulties, is a gradual accommodation by

a minister and his department, unable to achieve the role and implement the tasks set for them by government, to a changed and usually diminished role. Both seek survival as first priority. It is not just the minister and department who can be said to have failed but also the policy field entrusted to them and hence, at least in that respect, the government itself. Failure by a department may have been essentially unavoidable given the institutional context of operation. These failures are the costs paid by government for not having a sufficient level of support in Cabinet for the values which the failed policy area represents.

The more new agenda items introduced simultaneously or nearly so, and the more institutional changes made to the machinery of government to pursue the new policies, the more likely it is that the reshaped structure will contain jurisdictional problems. This, of course, makes it more likely that a new radical government, whether reformist labour or radical conservative, will strike trouble than a government, of whatever variety, re-elected several times on end and settled in its style, policy program and administrative arrangements. Thus, the Whitlam Government of December 1972 could have been expected to experience difficulties of this kind whereas its predecessor, the last in line covering 23 years, was more in danger of stagnating from a lack of policy and institutional initiatives:

The Whitlam governments of 1972-75 were marked by expansion in government activity and by policy innovation and experimentation. Old departments were entering new fields, and entirely new departments were carving out territories of their own. Ministers, ambitious to make an impact by implementing party objectives after many years out of government, were sometimes over-eager to pursue their particular part of the government program. Problems of coherence and overall control were particularly acute. In this atmosphere, interdepartmental relations were often put under strain¹⁸.

The more positive task of encouraging departments to combine their efforts with those of other departments in particular ways is also a

licence to become involved in other jurisdictions. It is usually entrusted to the office supporting Cabinet. In Australia, the Department of Prime Minister and Cabinet (DPMC) has it although, as is discussed later, any such positive task is extremely difficult to perform.

Jurisdiction and Coordination:

I have been referring to jurisdictional overlap, jurisdictional difficulties and so on without stating what I mean by 'jurisdiction' in the administrative context. The word means 'speaking by the law' and in the legal field its use is everyday and unavoidable¹⁹. In discussions of administrative theory it is rarely mentioned, yet it does have usefulness²⁰.

In the legal sense a lack of jurisdiction means "there is no capacity to act as a court"²¹. In whatever context, 'jurisdiction' implies a claim to act authoritatively in certain matters. When applied to the administrative field the concept can be used to overcome some of the difficulties associated with more widely accepted notions. When discussing the division of government work it is common to come across references to 'territory', 'turf', 'fiefdom', or 'domain', useful terms to convey the sense of the exclusive dominion of an organisation over a set of responsibilities. Such expressions are often a prelude to a discussion of interorganisational conflict using warfare as a metaphor. There is an implication in categorising an administrative unit's responsibilities in such a physical way that boundaries can be clearly marked at least to the extent that battle lines indicate where certainty becomes uncertainty. The most developed presentation of the territorial approach is that of Anthony Downs²². His concepts of policy space, territorial heartland, interior zone, no-man's land, and periphery presume a high level of

organisational autonomy in combatants. Within Westminster-type governments, departments are so limited by resource constraints and by the actions of central authorities that it is difficult to think seriously of them as holding, defending and perhaps expanding territory. In addition, there is a ruggedness about the metaphor which misses the subtlety and ambiguity of many situations of administrative politics. There is also a sense of permanently defended frontiers to ward off invaders where every skirmish is part of a larger, ongoing war.

'Jurisdiction' is a better image in several respects. First, it conveys that there is a legal or quasi-legal basis for claimed responsibilities. In Australia, the AAO is an executive document which, in part, indicates the legislation for which a minister and hence his department are responsible. As is discussed in chapter two, it has limitations as a legal document. Secondly, 'jurisdiction' implies that a department's claims may be subject to legally valid competing claims and may be reduced by the exercise of valid superior claims.

Thirdly, it conveys the importance of language, including the interpretation of the meanings of words, as an important element in interorganisational relations²³. We see this in Chapter Eight where the words 'caretaker' and 'provision' are subjected to different interpretations in the transfer of the property function from the Department of Services and Property to DURD. Fourthly, it implies through its legal links that claims are settled on a case by case basis which is a closer approximation of administrative processes than is the continuing war analogy.

Finally, it allows for the interests of central coordinating

authorities as conflicting jurisdictions even though there is no competing claim for territory. The coordinating authority is interested in imposing operating limits not taking complete control of part or all of the everyday activities of functional policy departments.

The use of the territory metaphor is to be praised for its promotion of a view of administration which is clearly political. Competing views of government priorities, policy content and procedures, as represented by various departments and authorities, are structured into the government process and give rise to organisational politics:

"Politics arises whenever there are conflicting demands, so we shall find it, not only among politicians, but among public servants, within and between departments"²⁴.

Without this realisation, promoted by conflict metaphors associated with 'territory', 'turf' and so on, it may have been difficult to convey the full flavour or how 'jurisdiction' is used here. In this sense, I am not using 'jurisdiction' as a replacement for 'territory' so much as an extension of it.

In using 'jurisdiction', we can avoid one of the major traps associated with the territory metaphor, that boundaries are sufficiently fixed and clear to permit dispute over them. We have the picture of policy ground being taken and lost, of the map being redrawn regularly, and of all combatants agreeing where the boundaries are to be drawn, even if not liking the boundary locations and resolving to change them. By contrast, a jurisdiction may at any point in time have a number of co-existing but very different yet legitimate interpretations.

First, senior officials of the same functional department (let's

call it Department A) may not share the same version of its jurisdiction. Some may wish the department to aspire to a 'coordinating' role with no program development in the department's tasks. Others may speak of programs as being important as 'runs on the board', giving the department more authority to coordinate. There was a major disagreement of this kind in DURD's early days with victory going to the supporters of the dual role concept¹⁹. Either approach, if endorsed by the minister, would probably be acceptable, at least for a reasonable trial period, to Cabinet. The clash is over how to implement a particular government priority with alternative versions continuing to be held even though the dominant version is entrenched in operating procedures. Secondly, other functional departments hold interpretations of Department A's jurisdiction which do not diminish their own. Thus, challenges to Department A over jurisdiction are regarded by the challengers as legitimate to prevent that department from aggrandising at the expense of other government priorities which they represent.

The interests represented by functional departments relate to substantive policy values such as education, health, defence and so on. Where there are competing claims for policy responsibility among departments it is likely that each will have a correspondingly diminished interpretation of its competitors' jurisdictions.

Up to now we have been discussing jurisdictions as if ideally they are intended to line up side by side like the planks in a wooden floor. Overlaps and gaps are seen as undesirable. Spann's metaphor for this situation is an organisation of individuals each with a cabbage patch, each 'left to get on with the job', and each sharing a consensus about the value of growing cabbages²⁶.

Within government, the issue of accountability, particularly for public spending, and the wish for reelection mean that since resources are scarce the perceived efficient use of them is a priority. Some of the cabbage patches may have to grow other crops, others may have to cease production or amalgamate, others may have to cut back on production. They will all produce according to the level and type of resources made available to them. The point here is that some government agencies are vested with the formal authority to advise government to limit the resources available to departments. Their legitimate task is to interfere in other jurisdictions. The jurisdiction of such an agency is intended to conflict with those of others. In the Whitlam Government, the Treasury and the PSB, committed to the values of economy and efficiency, had this type of jurisdiction over financial and human resources respectively. Their essential task is to make and apply judgements about the bare minimum level of resources needed by a department to perform as they perceive the government intends. Any claims beyond this level are refused. It is an essentially negative task.

A different type of values, procedural values, is involved in the relationships between each of the central authorities and each of the functional departments. The PSB and Treasury specifically value efficiency and economy. Both rely upon established procedures and voluminous regulations supported by law and executive orders. Both operate service-wide, claiming to give uniform treatment to all departments while conserving resources on behalf of government. In their respective control roles, both interpret the jurisdictions of functional departments within a government-wide context, not permitting resources to flow to overlapping or overly grandiose schemes. It is true to say that

they seek by procedural means to simplify the administration of government, avoiding the complexity which contributes to overload of government services²⁷.

A different procedural value, coordination, is sought by DPMC. It has been identified as a value by Painter who built on the finding of Peres that central authorities among other things propagate procedural values²⁸. DPMC also seeks simplicity in an increasingly complex world through procedures designed to encourage government-wide policy coherence. It is, of course, interested in resource use but only as it contributes to the total picture. Its interpretation of a department's jurisdiction will be shaped by a knowledge of what occurs in Cabinet and an assessment of where the activities of that department fit into a coherent presentation of government action.

Thus, several versions of Department A's jurisdiction are extant at any time. Not only might the policy value propagated by the department be in competition with other policy values but it probably would be in conflict with several procedural values²⁹. By allowing competing, legitimate interpretations of jurisdictions one also allows that no 'goodies and baddies' are necessary in administrative politics. All actors can be seen as representing validly structured interests.

Every spending department experiences conflict relationships with the central authorities. The relationships are bilateral and the process of resolving the conflict is highly institutionalised and predictable. Programs are produced by policy departments obliged by central agencies to take account of the government-wide concerns we have called procedural values. Such a relationship does not involve jurisdictional overlap, but

it does involve jurisdictional conflict.

However, a central authority's jurisdiction may require it to do other things in addition to enforcing these uniform procedural values through, for instance, financial controls. Treasury, for example, is the government's main economic adviser. Before it had its financial control function split off and given to a separate Finance Department in 1976, it was involved in both financial control and economic policy. The second of these could invite competitors. Treasury defended its policy jurisdiction as would any other department, although it had advantages over policy competitors which derived in part from its government-wide financial control role. These matters are discussed in chapter seven.

Compared with control relationships, differences between policy jurisdictions are less institutionalised and predictable. They can be bilateral or multilateral. They can be about overlapping claims to policy responsibility, where one policy department claims jurisdiction over a field or an aspect of government policy to the exclusion of all other claimants. Conflict can emerge when one antagonist does not consult closely or produces a Cabinet Submission or other document such as a green paper, a submission to an inquiry or a public report, which the other finds offensive to the extent that its interests are challenged. Where, as happens, two departments are given joint responsibility for a field or aspect of policy, the result is close consultation, so close that it often leads to deadlock where disagreement between the two persists. Another source of conflict is where one department, not a central authority, claims an overarching policy role which is rejected by other departments.

We have established the co-existence of many versions of the nature of a particular department's jurisdiction, suggesting that this is a major legitimating factor for those engaging in administrative politics. We have also noted, in discussing the relationships between functional departments and central authorities, the distinction made by Painter between substantive and procedural values, the first representing identifiable functional parts of government business (education, health, defence etc.), the second referring to government-wide concerns (probity, efficiency, economy etc.). Painter, building on the work of Devons, Peres and Self, identified coordination as a procedural value, much sought after³⁰. DURD could be said to have claimed that a substantive value, urban and regional development, as well as procedural value, coordination, had been entrusted to it by the Whitlam Government. All of this will be helpful in attempting to explain DURD's failure to realise its interpretation of its jurisdictional grant.

There remains, however, one theoretical piece to be put in place. It is provided by Self in the form of his distinction between policy coordination and resource coordination³¹. Self identifies three levels of coordination: negative coordination which has no greater aim than to avoid overt interdepartmental conflict; arbitration (arbitral coordination), high-level resolution of such conflicts as cannot be otherwise resolved; and positive coordination (planning), 'the active integration of diverse policies and programmes into structural policies or plans'³². Self nominates policy and resources as two dimensions of these coordination forms:

"Policy and resource co-ordination, while doubtless continually overlapping and being mutually interdependent, nonetheless follow different logics of administrative action - hence different administrative routes and techniques leading to different

substantive consequences, depending upon which of the two dimensions receives organisational priority³³.

He provides us with a summary table of the spectrum of coordination possibilities and the traditional institutional means to employ them³⁴.

	<u>Policy Coordination</u>	<u>Resource Coordination</u>
Negative coordination	Interdepartmental Committees	Traditional Treasury Control
Arbitration	Prime Minister/ Cabinet	Prime Minister/ Cabinet
Planning	Co-ordinating Ministers, ad hoc agencies, special inquiries (e.g. Royal Commissions)	Economic and Financial plan

This summary presentation can be readily adapted to Australia's Whitlam Government and particularly to the experiences of DURD. It is used here as an explanatory framework in tracing DURD's demise.

There are three main points which so far emerge from this discussion. The first is that no matter how the business of government is shared among ministers and their departments, jurisdictional problems are unavoidable. Attempts to impose administratively rational structures are astray not only in that they are apolitical and ahistorical but also in that they would quickly become outdated in a constantly changing situation. Attempts to design a structure which seeks to satisfy the needs and wants of the ministerial level while being as administratively rational as political limitations allow, probably result in a minimum of both jurisdictional problems and special arrangements to overcome them but

only in the short term. Only the prime minister or cabinet has the power to make decisions affecting structure, and it is usually the prime minister, in amending the AAO, who uses the power. Public servants offer advice only, and only when asked. That process of structural amendment could be called conflict control, since the ministerial level does have the power to affect jurisdictional conflict situations. The normal practice in Canberra is for the prime minister to request, receive and act upon PSB advice when amending the AAO, particularly where a new government takes office, that advice being in the form of the institutional change which disrupts the administrative apparatus least while achieving the political end sought. On occasion, as we see in chapter eight, the Prime Minister does not seek PSB advice and is oblivious to the administrative consequences of his amendment. In such cases, more jurisdictional difficulties may be created than solved.

The second point is that unattended jurisdictional problems sooner or later give rise to administrative conflict and politics. When that happens efforts must be made at conflict management. Ministers and departments are all involved in managing conflict: the PM may replace the holder of a portfolio in the hope that a new minister might overcome difficulties (see chapter eight); where overlap exists Cabinet might establish a committee of two ministers and a parallel committee of officials as discussion forums (chapter three); Treasury, through control of program funds may seek to limit to one department responsibility for a field of policy (chapter seven); and through various devices, formal and informal, bilateral and multilateral (usually IDCs), departments maintain contact while searching for agreement (chapters four to eight). Coordination arrangements on policy or resource matters can be seen as

(usually) formal mechanisms to manage conflict, facilitating government outputs. The quality and success of arrangements and methods to manage conflict vary greatly. Many of these are examined in later chapters.

The third point is that special problems arise where the jurisdictional conflict involves one department's claim to promote a procedural value. The most common type of case is where a department claims to have the legitimate role of coordinating a sector of government business which involves the activity of at least one other department. Traditional authorities, such as the Treasury, Department of the Prime Minister and Cabinet and the Public Service Board, have unchallenged, if often disliked, capacities to pursue various procedural values service-wide. When others claim a similar capacity, even on a smaller scale, they strike resistance to the extent that they seek to implement the role.

These three points are all important in this exploration of the way that DURD pursued the interpretation of its jurisdiction held in common by its Minister and senior officials. The problems for DURD in realising a coordinating jurisdiction can be traced through the series of jurisdictional conflicts it experienced. Chapters two and three trace DURD's organisational design process revealing the essentially political nature of the process at both ministerial and official levels.

Most of what happened to DURD, by way of resisting its claim to coordinate, can be traced back to events and outcomes in the first six months of its existence. Chapter four is a detailed examination of the most difficult relationship DURD had with another policy department, the Department of Housing (later Housing and Construction). DURD's

shortcomings as both a coordinator and a policy department are highlighted in that chapter. DURD was forced increasingly to rely upon interdepartmental committees as it failed to make headway by other means. The experience was frustrating as is demonstrated in chapter five. An attempt by DURD to upgrade a policy program into a coordinating scheme involving a regional budget in Queensland's Moreton Region was another unrewarding venture. It is analysed in chapter six. The very difficult relationship which DURD had with the Treasury is examined in chapter seven to the extent that DURD's attempts to achieve a degree of financial control over what is described as an urban and regional sector of the economy are involved. As chapter eight demonstrates, DURD had sought to rid itself of its major policy competitors, the Department of Housing and Construction and the Department of Services and Property, by the method of attempting to take over some of their functions and organisational resources. These takeover attempts are a strong indication of the frustration felt by Uren and his senior advisers. Such attempts are an implicit admission of the complete failure to achieve a coordinating jurisdiction, particularly on the resources side. The takeover moves and a final attempt by DURD to become a policy coordinator by way of an alleged 'urban interest' in the business of the Whitlam Government are detailed in chapter eight. The lessons to be learnt from the DURD experience, as it touched on the issues of jurisdiction, coordination and organisational politics, are treated in the final chapter.

B. JURISDICTION AND ORGANISATIONAL DESIGN

CHAPTER TWO

ORGANISATIONAL DESIGN AND THE COORDINATION ROLE:

EARLY SETBACKS AND CONFLICTS

In the months before Labor's electoral victory, Mr Uren and his advisers had considered the shape of the administrative structure they hoped to create. There were two qualities which Uren wanted for his administrative structure. First, it should provide him as Minister with control over policy and spending aspects of all the major functions associated with urban and regional development, such as urban transport, housing, environment and property, and, secondly, it should be small. It was realised that one of these qualities might have to give way but an administrative solution which would provide the best of both was sought.

The most obvious scheme in terms of policy control is to have all the functions and their associated administrative paraphernalia in a single ministerial department. Control is direct with a single minister representing all urban and regional interests in Cabinet. It could be a 'giant' like the British Department of the Environment (DOE), containing in one, large, hierarchical, administrative structure all of the functions which could most conveniently be grouped under the umbrella of non-economic planning¹. One way in which the proposed Cities Department differed from the British DOE was that it was to have the capacity to monitor the state of those sectors of the economy touching on urban and regional

development, such as building and construction, as well as to develop an urban and regional budget to introduce a degree of planning to the expenditure programs of all three levels of government where they touched on cities and regions. The problem with the 'giant' solution is sheer size making it unlikely that a single minister would be able to carry out properly the duties of office while being expected also to fulfil constituency, party and parliamentary duties. A solution to the size problem was devised by Uren's advisers. Entire departments need not be amalgamated to give Uren what he wanted. The same result could be obtained by taking only what were regarded as the important bits of those departments. This would produce a 'super' department which was not a giant.

In the area of environment policy Uren and his advisers wanted the Office of the Environment, established by Mr Gorton when Prime Minister, and most recently in 1972 a part of the Department of Environment, Aborigines and the Arts (DEAA), but they did not want the rest of DEAA. Nor was wanted the Water Resources Division of the Department of National Development. Both the Office and the Division proved to be the basis of Dr Cass's Department of Environment and Conservation. Similarly, they wanted the Policy and Research Division of the Department of Housing but had no interest in its War Service Homes and Management Services Divisions or its Operations Division or its statutory authority, the Housing Loans Insurance Corporation. In the transport field the Land Transport Policy Division and the Bureau of Transport Economics of the Department of Shipping and Transport along with its Commonwealth Bureau of Roads were

coveted, but the various divisions and statutory authorities dealing with marine matters were not wanted. In the last months of the McMahon Government, the National Urban and Regional Development Authority (NURDA) was created. It could have been expected to provide the urban and regional building block. Troy counselled against that, claiming that the urban and regional element should be provided by social scientists, mainly economists, and not by the mainly physical planners staffing NURDA. So the scheme was for key policy bits of departments in the environment, housing and transport fields to join a newly created urban and regional development increment to form a relatively small policy-intensive ministerial department. The financial control involved in such a scheme was prima facie just what Uren wanted, so as to have a strong position in Cabinet. The immediate issue would be what to do with the bits left over from such a carve-up of a number of departments. There was no problem with the aboriginal and arts increments of DEAA which were wanted elsewhere but relocating cast-off divisions from DST and DOH would have presented the new Prime Minister and his machinery of government advisers with major difficulties.

Another possibility is a 'cluster' along Swedish lines, with a small ministerial superdepartment at its centre controlling policy and surrounded by other ministerial departments and/or statutory authorities with instrumental roles. All three possibilities, 'giant', 'super' and 'cluster' offered direct ministerial control to the senior minister, satisfying the first criterion.

Early Organisational Setbacks for DURD:

If the 'giant' solution was unpopular because of size, the other two fared no better for other reasons. The principle of equality was favoured by the ALP Caucus and entrenched in its decision of August 1972 to direct the next Labor Prime Minister to have 27 ministers of equal standing. The ministry would also be the Cabinet. This Caucus decision meant not only that the 'giant' and 'super' solutions could not be used because they would produce a shortage of portfolios to be distributed among a fixed number of ministers, but also that the 'cluster' concept, with its requirements for a senior minister and subordinate ministers, was a non-starter. This was the first major setback for the coordinating capacity of the still to be created DURD.

The Uren camp's concept of their department as "a small and cohesive policy unit" with outrider statutory corporations or commissions for instrumental activities looked doomed². The AAO produced by the Machinery of Government Committee deliberations advised of the creation of DURD³, but it also advised of Departments of Transport, Housing, Environment and Conservation, and Services and Property, responsible for a range of matters of vital interest to DURD. As a new department with no organisational existence until one could be agreed between the permanent head and the PSB, DURD would have a difficult job in trying to establish itself. Other departments would give way to DURD no further than necessary. The content of the AAO of 19 December 1972 was DURD's second early setback. On the Friday prior to the Caucus elections to establish who would be members

of Whitlam's Cabinet, a draft AAO drawn up by the Machinery of Government Committee (containing key ministers, heads of the central authorities and top ministerial advisers) was ready for promulgation⁴. Apparently, Whitlam received a few unpleasant surprises in those elections and sought to give the new ministers he did not really want in his team less substantial portfolios where they could do little damage to his program. As a result, officials were asked to revamp the draft AAO 'over the weekend' to meet the political requirements⁵.

The proposed grant to Uren was reduced by the loss of the environment, housing and recreation functions⁶. Mr Hayden, who originally was to have a health/social welfare empire, lost the health function for similar reasons⁷. The net result was the creation of 37 departments for 27 ministers. For Uren, the effect was that he would have to devise ways to ensure the cooperation of three ministers and departments he had assumed would not exist. One in particular, Housing, would prove to be a thorn in DURD's side, as chapter four demonstrates. In addition, no problem for DURD had been foreseen in the decision to locate the property function with Mr Fred Daly who, without it, would have responsibility for elections and Parliament House only. Daly had suggested humorously that if such were the case he might become known as the 'Minister for Gerrymanders'. In the event, DURD's lack of direct control over property proved troublesome as we see in Chapter Five.

The early serback for DURD's coordination capacity was Uren's inability to recruit the sort of permanent head his

senior advisers insisted was required. Many outstanding individuals, including Robert Lansdown who was appointed, were available, but none had the necessary links into the financial control network. Uren was urged to appoint a top ranking Treasury officer to provide DURD with valuable knowledge, skills and contacts⁸. The advice to Uren to recruit such a person is the earliest indication of the intention of Uren and his advisers to institute DURD as a financial resource coordinator. It seems that senior Treasury officers individually (and perhaps collectively) decided to have nothing to do with DURD and eventually, after the offer of the permanent headship position had been declined by several current and former Treasury officials, Lansdown, with a background in the physical planning world of NURDA and the NCDC rather than in financial resource planning, was appointed⁹.

Jurisdictional Conflict and Design:

Most ministers, sharing the belief in the importance of the cities policy to Labor's electoral victory, were prepared to wait and see what would emerge in terms of conflict with Uren. Some, no doubt, were so engrossed in getting on with the new experience of governing that they were only dimly aware of potential difficulties. There could have been, but were not, outcries from both the Minister for Housing and the Minister for the Environment and Conservation (DEC) over DURD's claims in their areas, which took the shape in its top structure proposal of a Building Industry and Housing Branch and an Urban Environment Branch. Dr Moss Cass promised Uren a close and

co-operative relationship with DEC and he and Mr Les Johnson were not opposed to Uren and DURD early on.

DURD and Treasury:

Mr Crean, the Treasurer, was not terribly upset either at the threat from Uren and DURD, but his department, the Treasury, certainly was. Frank Crean, among his colleagues one of the most popular members of the Parliamentary Labor Party, was always keen to avoid conflict even when it seemed unavoidable. He was not likely to go out of his way to deal with potential conflict. The Treasury did rely to some extent on a strong Treasurer for its power but it also had its own methods for minimising perceived threats to its position.

Pat Troy knew of the experience of the Canadian Ministry of Urban Affairs, created in 1970 to advise on solutions to the problems of the cities. It had failed in that its efforts produced no results on the ground. There was no doubt in Troy's mind that failure could be attributed to the merely advisory nature of the Ministry¹⁰. He strongly believed if DURD were not to suffer the same fate it had to "have teeth". It had to control areas of government expenditure, not just where its own programs were involved but where federal money was affecting urban and regional development. This was heresy to Treasury and in January 1973 a dispute developed between Uren and Crean over applications by State Premiers for Loan Council funds. Uren indicated that when his department was properly equipped with necessary skilled staff he would expect his ministry to

co-ordinate Government expenditure for urban and regional development. The battle lines were being drawn even before DURD had an organisation.

In the normal course the content of DURD's proposal was made known to the Treasury by the PSB. It was DURD's "budget bureau" and States Divisions as well as the Grants Commission Branch of the Development Projects and Task Forces Division to which the Treasury was most opposed. The suggestions that DURD should operate a Bureau of the Budget in urban and regional development and become involved in federal/state financial negotiations were anathema to the Treasury.

DURD and its Statutory Commissions:

The AAO gave the statutory commissions, NCDC and NURDA, to Uren's keeping. Within both there was anxiety about the future. With the dismantling of the Department of the Interior and the dispersal of its functions to a number of new departments, it could have been expected that the Minister for the Capital Territory would inherit responsibility for the NCDC; in reshuffling his pack, Whitlam had given the Commission to Uren as a source of physical planning expertise. The nature of the relationship between DURD and NCDC was unclear. Control of policy on the physical development of the city of Canberra had long been disputed between NCDC and Interior although implementation was unquestionably the role of the Commission. Mr Richard (now Sir Richard) Kingsland and later Mr George Warwick Smith as successive permanent heads of Interior had to

contest with Sir John Overall, Commissioner of the NCDC. In the reorganisation following promulgation of the new AAO the areas of Interior which dealt with NCDC went to DCT. The leadership in the NCDC was interested to know whether DURD through Lansdown was to have or even wanted, a detailed say in the Commission's activities, as had Secretaries of the Interior, or whether Uren was Minister mainly in order to receive advice on physical planning matters to be applied by DURD or NURDA outside of the ACT. The nature of the future role of NCDC was a source of spirited discussion between the senior officials of the Commission and Uren and his advisers.

The more serious dispute was with NURDA, set up just before the fall of McMahon's Government and run by Overall with Lansdown's assistance. An attempt to decentralise population and industry away from the state capitals was behind NURDA, which was to identify areas around the country to be developed as centres of growth using Canberra as a model. To Overall it was NCDC writ large. He planned to establish a number of such centres in an attempt to stabilise the populations of the capital cities, particularly Sydney and Melbourne. The legislation creating NURDA had not long been signed by the Governor-General when DURD was established with Lansdown as head. Uren and his advisers were contemptuous of NURDA as an election gimmick of a dying government. That attitude was captured by Uren in his claim that NURDA would 'wither on the vine'¹¹. It was created from a rib of NCDC and was thus staffed by physical planners, architects and engineers. These were the types that Troy did not want for DURD. Nor did he want

their various professional salary grades cluttering those of DURD. Since DURD did not receive in the reshuffle the organisational bits of departments associated with the functions it coveted, Troy wanted it created de novo. If it were not to have those functions it could at least be staffed from the beginning with the most competent staff with the kind of social science, particularly economics, background thought apposite. So, instead of DURD swallowing NURDA the two co-existed, an unusual situation causing great unease for Sir John Overall and for the PSB. Until its role were to be differentiated from DURD's, NURDA could not have a secure future and difficulties between the two would continue. As is shown in Chapter 3, this difficulty in differentiating the roles of DURD and NURDA was one cause of the hold-up in deciding an organisational structure for DURD.

DURD and DOT:

The most serious conflict for Uren and DURD in the early months was with Mr Charles Jones and his Department of Transport. This dispute and measures taken to resolve it were testimony to the unstable organisational position in which DURD was. The conflict with Transport was the first of many faced by DURD over its role and functions and had serious consequences for the shape of its organisation. It is treated in some detail.

From its foundation in 1951 until Mr M.M. Summers became its permanent head in April 1969, the Department of Shipping and

Transport (DST) was a minor department with few prospects for advancement. In evidence to the Joint Parliamentary Committee on Public Accounts, then conducting an examination of government involvement in transportation, Summers claimed that DST

was being drawn out of its historical, narrow administrative role into the wider area of advising and co-ordinating in the field of transport policy¹².

There was political will for a more important role to be assumed by DST. The then prime minister, Mr John Gorton, said in 1969 that an Australian government should have a leading role in the transport field as it had in health and education¹³. In Summers, DST had a capable, ambitious head. Between late 1969 and the end of 1972 he masterminded an expansion in DST's organisation to match its rise in importance. He had the Bureau of Transport Economics created as a Division of DST in 1970¹⁴ and had the Minerals Handling Bureau transferred to DST from the Department of National Development. He planned to see merged eventually the Department of Civil Aviation with DST¹⁵.

DURD's master scheme required control of the Bureau of Transport Economics (BTE), a division of DOT, and the Commonwealth Bureau of Roads (CBR), a statutory authority responsible to the Minister for Transport. Summers was ill during much of 1972 and was far from fully recovered when DURD was created. He nevertheless fought hard against DURD's organisational plans in the transport area. His minister was a willing ally against Uren and DURD. When Jones was appointed

Minister for both Transport and Civil Aviation, the intention of the Prime Minister and his advisers was that the amalgamation long awaited by Summers would soon occur. To Summers, what he had planned organisationally and worked for since 1969 made excellent functional sense. All of the major elements involved in transportation would be in the one ministerial nest. To allow DURD to rob the nest of two or more of its most prized eggs was seen as unsound by Summers, both organisationally and in terms of its effect on the coherence of transport policy government-wide.

Apart from the issue of control of the two bureaux there was also the matter of DURD's top structure proposal which included an Urban and Regional Transport Branch of an Urban and Regional Development Division and a Transportation Branch of a National Urban Development Strategy Division. Jones and Summers were suspicious of the degree to which DURD was intended by its masters to be involved in transport policy, which Jones and Summers saw as properly their domain.

As the Opposition spokesman on the Cities from 1969, Uren had a proposal that his future ministry would have responsibility for, among other things, transport, particularly urban transport¹⁶. On Friday 8 December 1972, a few days after Labor's electoral victory, and eleven days before the first Whitlam AAO was promulgated, Uren met with the Prime Minister in Parliament House and discussed, inter alia,

the importance of a fully integrated relationship between

urban and Regional Development and Transport interests..¹⁷.

The transport function was not to be located with the Minister for URD but with a Minister for Transport. Uren and Whitlam agreed that even if the transport function would be, for party political reasons, in a portfolio other than URD, Uren would have the major say on transport matters involving urban and regional development and DURD would have joint access with DOT to the BTE and CBR. The Prime Minister felt that

(p)articularly in the period leading up to a new Commonwealth Aid Roads statement in May 1974, I believe that a close working arrangement is necessary between the Department of Urban and Regional Development, the Bureau of Transport Economics and the Bureau of Roads¹⁸.

Uren and his advisers had convinced the Prime Minister of the importance of parts of the transport function to achieving urban and regional development objectives, but for various reasons Uren was not to be given that function as part of his responsibilities: Jones had been Opposition spokesman on transport matters for six years; Whitlam had made an election promise to amalgamate DST and DCA, emphasising the importance of the transport function to his government; Whitlam had to find at least 27 portfolios for his mandatory number of 27 ministers and Caucus would expect transport to be one of them; and Uren wanted only parts of the transport empire, the planning portion of the BTE and CBR. Why did DURD want access to the two bureaux? Lloyd and Troy put it succinctly:

Access to the Bureau of Roads and Bureau of Transport Economics was necessary to ensure that consideration of transport economics or of investment priorities in roads

did not occur in a vacuum. No attempt had been made by any of the existing transport authorities to integrate transport investment with other programs. There had been a lack of consideration of the impact of transport investment programs, particularly the welfare implications, on other government programs¹⁹.

DURD was saying that transport investment was one aspect of URD investment and had to be treated in that broader context. This did not mean that DURD claimed control of transport policy. It was not interested in shipping, transport operations and technology, maritime and air navigation standards and construction of transport infrastructure, but it was vitally interested where investment was central, such as in air and ground transport planning and development²⁰.

DOT's view was that DURD should assess the transport demands associated with urban and regional programs and leave consideration of those assessments to DOT:

... it was made clear that DURD's role in transport policy and administration was purely advisory and subsidiary²¹.

As far as Uren was concerned the Prime Minister had agreed that the new Minister for Transport would be effectively under his control on urban transport policy. The background document circulated with the AAO on 19 December was ambiguous on this point. On the Department of Transport it stated:

Its responsibilities for the Commonwealth Aid Roads Scheme will be developed with a view to co-ordination

with the needs assessed by the new Minister and the Department of Urban and Regional Development for Urban Transport, including improved public transport facilities²².

In addition, Uren thought he had an agreement along those lines with Jones, who has still to be appointed Transport Minister.

Almost as soon as the Ministry was sworn in Uren was made aware that Jones did not consider himself a party to any such understanding. Stormy exchanges took place between Uren and Jones in late December and throughout January and these were paralleled on the official level. The whole Cabinet was witness to the dispute and a blow by blow account was broadcast throughout the Service by those closest to the action. It was known, even publicly, that in one outburst at Uren, Jones shouted, "Gee, Tom, I hope you'll let me collect the fares", an exaggerated reference to DURD's claims in the transport field²³.

On learning of Jones' attitude almost immediately after the ministerial swearing-in, Uren and his advisers decided that the key thing for DURD was to preserve access to the BTE and CBR. It was on that basis that Lansdown was directed to arrange through one of the Prime Minister's advisers, (Dr H.C Coombs, Mr J. Spigelman, or Dr P. Wilenski) for a letter to be sent from Whitlam to the heads of the BTE and CBR²⁴. Lansdown had discussions with Wilenski and Mr J. Mant, members, respectively, of the staffs of Whitlam and Uren, and drafted a letter from Whitlam to both Jones and Uren, aimed at securing the joint

access arrangement²⁵.

Action by the Prime Minister was imperative. Whitlam was in an awkward position mainly of his own making. He had issued an AAO which gave responsibility for the entire transport function to the Minister for Transport and he had apparently agreed that the Minister for URD should have a major say over urban transport policy. Organisations do not cope well with such jurisdictional ambiguity. Neither minister was going to give way to allow an easy solution. With the urging of Summers, Jones disowned any agreement with Uren and demanded what the AAO stated was his. The Transport Minister had the force of the AAO and responsibility for legislation listed in column 3 of that order to back his position. Indeed if Whitlam had truly intended Uren to have the major say on urban transport policy, he did a poor job of clarifying that intention in the AAO. Nor did Whitlam take the matter to Cabinet for discussion.

Uren's next response to the difficulties with Jones and DOT was to write to the Prime Minister stating DURD's requirements and suggesting a range of options to resolve the organisational difficulties²⁶. The ability to direct investment in various transport modes was viewed by DURD as important in improving the urban environment and in regional development:

The confusion which often arises whenever transport problems are discussed seems to me because transport is often regarded as an end in itself. Which, clearly, it is not²⁷.

The complaint from DURD about existing methods of forming transport policy was that the Departments of Transport and Civil Aviation, including the BTE and CBR, showed no concern

to integrate transport investments with other programmes. Nor is there much evidence of the effects of transport investment programmes (on) other programmes, nor of a concern to look at the welfare implications of the various transport investment programmes²⁸.

In short, the belief of Uren and his advisers was that transport policy was formed in a kind of vacuum, aloof from the social and economic implications of decisions made. Uren claimed that to secure the coherence of government transport policy and urban and regional development policy, his Department would have to be able to review investment programs and

direct and co-ordinate investments under agreements like the C.A.R. if we are to employ our Land Commission successfully. Similarly my Department will need to review proposed investment in rail and air transport to provide advise (sic) to Cabinet so that it may ensure that development of these modes is consistent with our wider urban and regional objectives²⁹.

This was the role that Uren had believed was his, agreed to by both Whitlam and Jones before the AAO was issued. When Jones, in Uren's view, reneged, a more official arrangement was sought which would give DURD the access it demanded to transport policy. Three options were proposed³⁰:

1. Uren and DURD to have equal access with DOT to BTE and

CBR;

2. Uren to develop in DURD a "much stronger transport planning group" than previously planned:
3. The Prime Minister to transfer the planning functions of BTE and CBR to DURD amalgamating the remains of the Bureaux with DOT.

Uren expressed a preference for the third option which would have required an amendment to the AAO and the transfer of approximately one third of BTE's staff (the other two thirds being concerned with shipping industry problems) as well as two of the four Divisions of CBR. That Uren would be also happy with either of the other two options was stated in his letter to the Prime Minister, as was his understanding that the equal access option "may not be attractive to you or our colleague the Minister for Transport"³¹.

Whitlam called on the Chairman of the PSB for advice. Cooley's advice led to adoption of Uren's first option by Whitlam, made known to the two contending Ministers on 31 January:

I suggest, that the Department of Urban and Regional Development have, as a special feature of its working arrangement, direct access to the Bureau of Transport Economics and the Bureau of Roads for advice and assistance; subject to the Minister for Transport retaining the responsibility for the administrative operation and determination of work priorities of the Bureaux. It may be necessary from time to time for the Minister for Urban and Regional Development and the Minister for Transport to consult on such work priorities for the Bureaux³².

This solution for DURD and DOT to have joint access to BTE and CBR while both bureaux were in DOT's organisational ambit was more of a victory for Jones than for Uren but it was the most Uren could hope for while the Minister for Transport remained opposed and the AAO remained unamended.

The PSB had been asked for a solution and could have been expected to provide one which appealed to it for administrative reasons alone. Uren's second option was for the development of a strong transport planning capacity within DURD. In that case both DURD and DOT would have had competing transport planning organisations. To the PSB that is duplication of role and staff. As such it is wasteful of resources and could be seen as inefficient under S.17 of the Public Service Act. In addition if two ministers were to have responsibility for the same function, in this case transport planning, it would create problems for prevailing PSB notions of the individual responsibility of ministers in Australia's Westminster-type government as represented in the AAO.

The third option would have involved amending the AAO, establishing which staff and finances should be transferred, working out a new organisation for both departments and upsetting and perhaps destroying the two bureaux. Not least of the difficulties for the PSB in that process is being besieged by the Permanent Heads of the contending departments, each seeking to obtain for his organisation the best possible result. It would have meant the end for Summers' long-term plan for a comprehensive transport policy controlled by a single

minister and department. It would also have negated the intention of Whitlam and his MOG Committee to create a single Transport empire signalled by the appointment of Jones as both Minister for Transport and Minister for Civil Aviation.

Uren's first option provided the way out for Whitlam. While not ideal in the Board's view it did mean that there would be no organisational duplication and no ambiguity in ministerial responsibilities as listed in the AAO. It was an administrative solution to what was essentially a political problem. In selecting Option 1 the Prime Minister was ignoring or failing to see the political nature of the problem. The only effective solution, as politically painful as it may have been would have been to amend the AAO in favour of Uren or Jones. The question to be answered was whether the government's priority was urban and regional development or the transport function. It was shelved, providing a source of tension that persisted for the life of the Labor Government.

Implications of the Coordinating Role for DURD's Organisational Structure:

The ALP Caucus had ruled out 'overlord' ministers. Uren had to do the best he could in Cabinet with Whitlam's support to further the aims of urban and regional development. There would have to be a major effort by DURD to keep the activities of some other departments in line with its own. The mechanism turned to was the traditional form of interdepartmental dealings, the interdepartmental committee (IDC).

Even before DURD had submitted its top structure organisational proposal to the PSB on 2 February it already had been appointed chairman of an IDC to investigate the provision of office space for commonwealth purposes in major cities and it was a member of another on a national housing policy, set up by the Cabinet Committee on Urban and Regional Development, part of the cabinet committee structure established by the prime minister in early January. The Cabinet had implicitly and immediately accepted that achievement of its policy aims would be through the traditional procedures of the public service.

The thinking within DURD at its genesis about federal departmental co-ordination is reflected in the drafts and final submission of its top structure organisational proposal to the PSB. In late December and throughout January three drafts and the final submission were produced against the background of conflict already described. Lansdown and Troy were responsible respectively for Drafts I and II; Killeen produced a synthesis of the first two; and Troy was mainly responsible for the final submission which drew on the three.

Draft I outlined as background the co-ordination framework created under McMahon in which the Treasury and DPMC shared responsibility for integrating the new-found concern for urban and regional development matters with longer standing policy concerns; NURDA had the policy development role as detailed in its legislation; and IDCs, especially the Standing IDC on Urban and Regional Development, were used as consultation forums for departments and authorities whose policy interests

were touched by NURDA's activities³³. The alternative commonwealth level co-ordination model presented in Draft I concentrated on reconciling the continued existence of NURDA with the new department. It suggested that the Secretary of DURD should also become Commissioner of NURDA in July 1973, after the retirement of Sir John Overall. Two deputies would assist the Secretary, a Deputy Secretary (DURD) and a Deputy Commissioner (NURDA). So, it was a straightforward hierarchical imposition of control by giving two offices to the one person. With NURDA effectively an arm of the department it was meant to develop rather than be diminished. The Deputy Secretary (DURD) would have six divisions, one of which was to concentrate on commonwealth level co-ordination, while the Deputy Commissioner (NURDA) would have three divisions³⁴.

The other co-ordination features of the draft were a Cabinet Committee on URD with all ministers whose interests were involved with urban and regional development as members; and the standing IDC of permanent heads established by the previous government to be continued as the chief means of commonwealth level co-ordination.

There was great merit in the proposals for commonwealth co-ordination. The 'Division for co-ordination within the Commonwealth' was something no other department had and was meant to operate as DURD's 'foreign affairs department'. It would consult closely with the other DURD divisions and with other departments and authorities in a concentrated effort to co-ordinate the Government's urban and regional development

activities. With commonwealth co-ordination as its primary function, it would be in a position to undertake large scale inter-departmental committee work supporting DURD's efforts as chairman or member of committees. The second feature of note was continuation of SIDOURD, which was set up by the previous government. This was one of those very unusual IDCs which have only permanent heads as members. Never more than a handful of such IDCs exist at any time and a figure of one or two is probably closer to the mark. A permanent head could be expected to know his Minister's mind and, to a considerable degree, to speak for the minister. An IDC at that level would be concerned only with matters of the highest policy content and importance. It would not be concerned with producing reports or with any of the other pursuits of more common IDCs. It would be particularly interested in jurisdictional disputes among departments, with ensuring no overlap of jurisdictions or duplication of efforts. Such an IDC with DURD in the chair could have been significant in establishing DURD's place in the sun. Within the Australian system of government as operating in 1973 (and still) an IDC at permanent head level was the departmental mechanism with the greatest potential for DURD to achieve its ends. It was the closest thing permanent officials could offer to a ministerial committee. There were many occasions in the 1973-75 period when DURD would have appreciated the benefits of chairing a permanent heads' IDC.

In the Draft I formulation, the permanent head of DURD was the pivotal figure as chief departmental adviser to the minister, chief officer of both DURD and NURDA, and DURD

representative on the most important and influential (with permanent heads as members) IDC in the policy area. If fully developed the position could have been significant indeed. The approach assumed that the minister would look to his permanent head as his chief helpmate rather than to the considerable advice capacity within his private office. It overlooked the possibility that the minister and his closest advisers may have harboured some suspicion of senior public servants in the early days of government.

Draft II was not in a form which could have been forwarded to the PSB. Rather it contained a statement of what DURD should do and how it should relate to its organisational environment. The second draft consisted of two papers, 'Functions and Structure of the Department of Urban and Regional Development' and 'Relationship of the Department to other Departments and Authorities': In the first the co-ordinating function was recognised along with another three broad functions, national urban and regional development policy, resource allocation, and research, and was presented in the context of the government's decisions to establish a cabinet committee on urban and regional development and to continue SIDCURD³⁵. The second paper dealt more comprehensively with the co-ordinating function. NURDA was to have a diminished role and be responsible directly to the minister³⁶. More importantly, DURD would have the services of the Bureau of Transport Economics (BTE), the Commonwealth Bureau of Roads (CBR) and the Bureau of Census and Statistics (BCS); the first two were the responsibility of the Minister for Transport and

the third of the Treasurer. It was proposed that BCS be given its own permanent head and made the responsibility of the prime minister in order to break the Treasury's monopoly on its services and offer these to all departments. Three departments, DOT, DEC and DOH, were particularly important to DURD, having responsibility for functions closely related to its policy interests. To keep close contact with the three departments, three IDCs, all chaired and serviced by DURD, were proposed³⁷; an IDC on Urban and Regional Transport with DOH, DEC, DOT, BTE and the CBR as members and reporting to the Cabinet Committee on URD; an IDC on the Urban Environment; and an IDC on Housing and the Building Industry. Other features of Draft II included an advisory council on URD appointed by the minister for close contact with the non-government and semi-government sectors and with international bodies; and a web of relationships between the minister and DURD officials and their State counterparts.

The two drafts did not differ greatly in their respective approaches to commonwealth level co-ordination. Both had the IDC as the main co-ordinating device, although more explicit use of it was made in Draft II. Differences between the two were the provision in Draft I of a division for commonwealth co-ordination and the reference in Draft II to DURD's access to the three bureaux. The approach towards NURDA suggested in Draft II was favoured by the Minister.

Draft I had been prepared with some attention to the organisational matters of primary interest to the PSB, such as the proposed functions and titles of divisions and branches. It

did not, however, have the breadth of vision about the intended roles and relationships of the minister and department that appeared in Draft II. The synthesis, completed by the third week of January, attempted to satisfy both, as far as was possible in a submission to the PSB³⁸. A top structure proposal includes details of the number, titles, duties and salary levels of second division offices³⁹. So, if DURD were to have substantial external relations, the organisational requirements within DURD necessary to carry out those tasks had to be included in the proposal. The core of the synthesis was a structure of seven divisions, two of which had commonwealth co-ordination tasks; one to co-ordinate urban infrastructure programs and to provide DURD's presence on ad hoc IDCs; the other to support the Cabinet Committee on URD and represent DURD on SIDCURD and the other three standing IDCs proposed in Draft II. Another division would have functions transferred from NURDA, in line with the Minister's wish for a diminished NURDA directly responsible to him.

On 2 February the top structure submission went from DURD to the PSB⁴⁰. It consisted of a statement of principle outlining DURD's claimed functions and the basis of the claim. There were five appendices dealing with the following: structure of the ministry of urban and regional development; functions of the department; structure of the department; project staff schedule; and an organisation chart⁴¹.

Within the Ministry, the NCDC, proposed Land Commission and a proposed council of urban advisers, as well as the Cities Commission (NURDA's new identity) were all the Minister's direct

responsibility. For co-ordination purposes the Secretary of DURD was to be a part-time commissioner of the Cities Commission. DURD was to have access to the BTE and CBR, both of which would remain the administrative responsibility of the Minister for Transport.

The Department was to have nine divisions, four grouped under the title 'Continuity of Task' and five under 'Continuity of Function', each group directly responsible to a deputy secretary. Two of the divisions in the first group would have specific commonwealth level co-ordination tasks; 'Division 1 Commonwealth Co-ordination' was inter alia, to service "a comprehensive structure of IDCs"⁴² including SIDCURD and the office Location IDC, as well as the proposed Council of Urban Advisers; 'Division 2 Urban and Regional Development' was to service the Cabinet Committee on URD and the four sub-committees proposed for it, urban transport, regional transport, urban environment, and building industry and housing, as well as servicing a "committee of senior public servants" paralleling the membership of the Cabinet Committee⁴³.

It was recognised that every division would have extensive dealings with other departments and authorities and that a large scale involvement in IDCs, though undesirable, was unavoidable⁴⁴. Hence included in the tasks of Division was to co-ordinate DURD's IDC activity. Division 2 was the greater innovation in the final submission. Instead of the standing IDCs on transport, environment, and building, of previous drafts, here was a proposal to have DURD give direct secretarial

support and policy advice to a Cabinet committee and its sub-committees. Servicing Cabinet committees was usually a task for DPMC especially, as in this case, where the Prime Minister was chairman of the Committee. Decisions of such committees had to be recorded for possible ratification by full Cabinet, the responsibility of the Cabinet Office. The scheme appeared splendid as a way of involving members of the Cabinet Committee directly in the thinking of DURD on policy matters and for reducing what was beginning to look like an almost total dependence by DURD on IDCs for formal interdepartmental relations. It was not however possible in a strictly run system of Cabinet government.

The PSB could have expected to receive a staffing proposal for DURD's second division structure by early or middle January 1973. Normally, a permanent head on being appointed, in consultation with his minister, would have sent a section 29 report to the PSB in quick time and would not have been helped or hindered by the involvement of ministerial advisers. Because of the unusual situation prevailing in DURD the PSB did not receive Lansdown's proposal until 5 February⁴⁵.

There are three main elements in an establishment:

the number of positions available against which staff can be employed

the nature and levels of these positions; that is the classification of positions, and

the organisation of those positions into a formal work structure and a management framework⁴⁶.

In making his Section 29 report, Lansdown was proposing the

number, classification and organisation of offices which he considered necessary to his department's being able to successfully pursue the role and functions given it by the Government.

These 'Continuity of Task' Divisions were referred to in the earliest days of DURD as a "Bureau of the Budget" for the urban and regional sector. There was a notion in DURD'S earliest days that once the PSB had granted a 2-4-6 structure, a Budget Bureau would be established within the Department. The intention was to more clearly delineate that major part of DURD's role from the rest of its role, to make highly visible the resource control function which the Government had given to Uren and DURD⁴⁷. It had to be obvious to all, particularly other ministers and their departments, that the Government had introduced a new approach to domestic expenditure and DURD was central to its success with a legitimate control role to play.

Another four divisions were proposed: Urban and Regional Development with three Branches, Urban and Regional Transport, Urban Environment, and Building Industry and Housing; Development Projects and Task Forces with three Branches, Land Commission and Projects, Development Corporations, and Grants Commission; Management with three Branches, Program and Legislation, Statistical, and Management Services; and States with an Information Service Branch and a confusingly titled State Branches Branch. There was also to be organisational provision for the National Estate function and co-ordination of urban and regional matters in the Federal sphere.

These divisions and branches were the organisational form of functions claimed by DURD.

CONCLUSION

The organisational design process to the point where DURD's 'top structure' proposal was submitted had proved to be a mixture of politics and technical advice on organisational structures. The Prime Minister had to take into account the number of portfolios and who would hold them. Party government means sharing power in a way which is dictated by the dynamics of the political party (about political parties we say no more here). Then there are technical factors such as the size of departments. The machinery of Government Committee had an existing administrative structure to review. Even the most fundamental review of structure had to have an incremental implementation. New structures cannot be put in place with relocations of authority without tearing down or modifying existing structures. In general, it is the structuring of the administration of areas of substantive policy, about which government promises to the electorate have been made, which come under review rather than the administrative apparatus associated with procedural values. The central agencies are seen as somewhat 'above the battle', representing government-wide and unquestioned values. Logically, technical advice from the representatives of those agencies has political overtones as they assume and advise the continuation of the existing structure of central control and coordination.

For DURD the publication of the AAO on 19 December 1972 was something like the bite of a venomous snake: after the poison takes effect it may prove fatal or it may cause illness from which there is assisted recovery through an antidote, or from which there is eventual, unassisted recovery. Part of the task of this thesis is to speculate on those alternatives in terms of DURD's jurisdiction and its structuring relative to that of the rest of the administrative apparatus.

In terms of Self's coordination table (introduced in Chapter One) DURD can be seen to have aspired to a jurisdiction which included a coordinating capacity in each of the six boxes:

Policy Coordination Resource Coordination

Row 1: Negative Coordination	1. Various IDCs SIDOURD	4. Urban and Regional Budget Process
Row 2: Arbitration	2. Minister for URD SIDOURD	5. Minister for URD
Row 3: Planning	3. Minister for URD National Urban Strategy	6. Regional Grants Commission National Urban and Regional Budget

Planning or positive coordination figured largely in DURD's scheme. Uren was to be something of an 'overlord' minister responsible for imposing a National Urban Strategy on the work of other ministers and departments (box 3). A Regional Grants Commission would work hand-in-hand with DURD in by-passing the States, bringing Commonwealth investment directly to the local level. A National Urban Budget would complement in financial terms the policies contained in the Strategy (box 6). The Budget would also operate through financial control procedures to negatively coordinate the details of a large proportion of government spending (box 4). Various IDCs would be used to inform other departments of DURD's viewpoint on a range of contentious and routine issues (box 1). SIDCURD was meant to be more than a standard IDC. It was to have a more positive role of informing other departments of DURD's policy intentions, reviewing other departments' policy proposals and generally of encouraging those departments to fit in with what the Minister for URD was proposing. In conjunction with the Minister it was to exercise an arbitral role (box 2). The Minister, supported by DURD, was to have a similar role in authoritatively ruling on resource questions arising in the context of the urban and regional budgets (box 5).

DURD's ambition for a financial control role had suffered three early setbacks. Its jurisdiction could have neither the range of coverage nor the level of control imagined in the pre-election vision. This does not seem to have been the

perception in DURD and there was no retreat from the notion of the Department as the controller of a large sector of government-wide policy and spending, a somewhat optimistic stance. The three early organisational setbacks and subsequent interdepartmental problems were seen as annoying but not so serious that alternative structuring could not achieve the vision. It was in this period that the debate within DURD about whether its role should be purely coordinating or mixed with programs was at its peak. That debate was settled because the difficulties being experienced raised the possibility that programs might be used as a mode of coordination. A major attempt to use a program in this way is examined in chapter six.

The confidence within DURD to proceed with its original conception of role and jurisdiction is indicated by the content of its organisational proposal to the PSB. The organisational means to develop the National Strategy and Budget as well as to undertake a detailed analysis of large sections of the Australian economy were requested. The most significant difference is the move to a heavy dependence on IDCs as the basis of DURD's external relations. At the departmental level, as opposed to whatever the Minister might have been able to achieve in Cabinet and Caucus, there is evident in the organisational proposal an almost total reliance on IDCs as the formal coordinating means until such time as the Strategy and Budget were available as structuring mechanisms for DURD's control role. The use which DURD was able to make of IDCs is explored in chapter five.

Returning to Self's coordination table, it can be said that DURD's ambitions had already been affected at the planning level by the reduced responsibility available to the Minister (box 3) and the non-creation of a Regional Grants Commission (box 6). Possibilities still remained for DURD in the planning area depending upon its success with the Strategy and Budget, but the 'overlord' position desired by Uren to give DURD authority and status was already beyond achievement without institutional change at the ministerial level.

In submitting its organisational proposal, DURD became an active participant in its own structuring for the first time. Its officials would have to convince the Public Service Board to share DURD's conception of its jurisdiction since that was the only way DURD would be given the necessary human resources for its perceived coordination task. The encounter between DURD and the PSB is covered in the next chapter.

CHAPTER THREE

ORGANISATIONAL DESIGN AND THE COORDINATION ROLE:

DEALING WITH THE PUBLIC SERVICE BOARD

This chapter is about the way that the PSB in the pursuit of efficiency uses negative coordination to minimise jurisdictional conflict among non-central departments. The PSB has coordinating authority from legislation. That authority is confirmed, strengthened and realised through a mass of rules and procedures which, in the Whitlam period, gave the PSB a gatekeeper control over the flow of human resources government-wide. Basically, the PSB could affect negatively the way a department was able to fulfil its conception of jurisdiction by ensuring that only one department had the necessary organisational resources for any particular government activity. Potential overlap and duplication are the targets as the PSB translates the AAO into a group of staffed organisations.

There are three sections of the Public Service Act which provided the legislative context for the dealings between DURD and the Board in the first half of 1973. Section 25(2) gives the permanent head of a department general responsibility for his department. Section 29 gives both a permanent head of a department and the Board their roles in departmental establishments. Section 17 demands that the Board carry out its

duties with attention to 'efficiency' and 'economy'¹. So, whereas the Board's power to establish is in S.29, what guidance the Act offers as to how that power is to be exercised is mainly in S.17. That guidance is quite general leaving great room for the Board's judgement as to what is efficient and economical. There is no definition of 'economy', and 'efficiency' is defined only with respect to the individual and not in any service-wide sense.

Among the duties which the Board recognises as being entrusted to it under S.17(1) is

ensuring that staff of various departments does not exceed requirements²

What does and does not "exceed requirements" is a matter for judgement and very often the Board and the permanent head are at loggerheads over just this point. S.29 proposals are handled by the Board on a case-by-case basis, a process which could possibly give rise to the Board's being open to such charges as bias, arbitrariness or worse. Like most organisations in that situation, the Board has sought refuge in disinterest:

... the Board must ... maintain broadly common standards of salary classification, organisation and staffing as between departments. This co-ordination is achieved by consistent application to each department of general classification structures and staffing policies developed for a particular employment group within the Service as a whole³.

In several places in its evidence to the Coombs Royal Commission the Board made references to uniformity, such as:

while the Board has responsibility for ensuring the application of broadly uniform salary standards and conditions of unemployment throughout the areas of Australian Government employment in relation to which it has been given a statutory role due regard is had to any special features represented by the authorities involved⁴.

So, while the thrust is towards uniformity the Board retains a discretion to be flexible where it considers necessary. In all cases the establishment provided by the Board should 'match the requirements of the work to be done'⁵. There should be neither too many nor too few positions and they should be at such salary levels, neither too high nor too low, as to attract appropriately qualified staff. This is the Board's idea of 'classification equity', where equity means equal treatment, being subject to the same guidelines as every other department. The PSB's Establishments Manual, with its guidance to establishment officers in considering S.29 proposals, is an indication of the Board's wish to give equal treatment to all. Of course, decisions on each case are still the prerogative of the Chairman and his two fellow Commissioners.

As was standard procedure the DURD proposal went to the desk of an establishment officer who, armed with a copy of the Board's Establishments Manual, was to make a preliminary assessment of the claim as to the number and levels of second division positions in terms of the functions given the department by the government⁶. The establishment officer was a member of one of the four branches (titled Organisation Branches Nos. 1, 2, 3, 4) in the Organisation Division which among others had the following functions:

Develops policies for organisational structures of departments; examines departmental proposals relating to organisational structure, establishments, designations and classification of positions within approved employment groups;....⁸.

Second division proposals received the closest attention of all establishment proposals put to the Board⁹. The PSB's establishment officer assessed DURD's proposals in the normal way ensuring that it did not contravene the Public Service Act or Public Service Regulations, and ascertaining if it were reasonable by PSB standards. His assessment of the proposal was based on supporting information provided by the department which was meant to show clearly the nature of the role intended for the department by the Government. There were the public speeches and statements of the Prime Minister and the Minister for URD, mainly from their Opposition period; the ALP Platform; the ALP's Blacktown election speech given by the Prime Minister; and the AAO. What could be ascertained from this kind of documentation at any time and with reference to any department gave only the most general idea to the PSB of how the new department would develop to fulfil its role, but that was because the Cabinet, Prime Minister and responsible Minister usually had only the most general idea of what was intended. The new department and its policy shaped each other, usually over a considerable period of time.

It might have been thought that the Administrative Arrangements Order, the product of much hard work by the Machinery of Government Committee and gazetted under the

signatures of the Governor-General and the Prime Minister, would be sufficient expression of the Government's wish for immediate action by the PSB. That this is not the case was established in 1953 by the Parliamentary Joint Committee of Public Accounts:

The primary legal purpose of the Order is to identify the Minister in whom a power is vested

It should not, however, be interpreted as more than a statement of functions to delineate the field of activity of departments. Authority to carry out any part of these functions must be found elsewhere, as in specific legislation, or in Government decisions supported by Appropriation Acts, or by the approval of funds by the Treasurer¹⁰.

In any case the description of functions for any department is so brief in the AAO that it would create more demarcation problems than it would solve if used as the sole basis of establishment authorisations.

The Board accepted political party speeches and platform items and the AAO as support for a departmental establishment proposal, but in themselves they were not sufficient authority for the Board to recommend the creation of positions:

According to circumstances, that authority may be found in statute, regulation, ordinance, Cabinet approval or a statement or endorsement of the appropriate Minister or the Prime Minister, with reference also to the Treasurer when warranted¹¹.

Since there was no legislation, whether statute, regulation or ordinance, nor Cabinet decision available as the basis of authority, for DURD's proposals, it had to be a

statement or endorsement from the Prime Minister, or similar from Uren. Normally, the easiest approach would have been for Uren to authorise the substance of the proposal, but the PSB was aware of demarcation difficulties that DURD was having with Treasury, DOT, NURDA and NCDC. So, in this case Uren's word was not enough since it was being contradicted, at least in part, by one or more other ministers. It would have to be ultimately up to the Prime Minister and perhaps even Cabinet to attempt to resolve any problem of authorisation with DURD's proposal.

The second problem with the proposal was that DURD wanted a 2-4-6 configuration in its second division structure, i.e. deputy secretaries paid at the then highest level in the executive division, level 6; division heads or first assistant secretaries at level 4; and branch heads or assistant secretaries at level 2. Existing guidelines indicated to the establishment officer that DURD's claim for higher than usual levels was too ambitious.

Given these two major areas of difficulty it is not surprising that the inspecting officer's report to his superiors indicated that DURD's proposal, prima facie could not be approved. Further information, which cleared away the duplication difficulties and supported the higher levels claim, would be required to justify PSB approval of 32 second division positions for the proposed divisions and branches in a 2-4-6 configuration.

DURD's proposal was not routine. The Chairman of the PSB knew it would not be. He had been a member of the MOG Committee which met in December and, foreseeing difficulties, he had offered DURD an interim second division establishment of smaller numbers and at lower levels, the idea being that DURD could get on with its work with the smaller, lower level staff, until all difficulties associated with its permanent establishment were resolved. The offer was rejected, a decision primarily of Uren and Troy. They thought that if DURD could get on with its work with the interim establishment its argument for the greater number of more highly classified positions may be weakened.

DURD sought an alternative interim solution. It proposed to engage about 20 senior contract staff until its permanent establishment was settled¹². Lansdown met with the Commissioners to discuss that proposal on 20 February. He left that meeting confident about the consultant proposal but sceptical of success on the major proposal. DURD was informed by the PSB on 27 February that the consultant proposal was approved in principle, but that its second division proposal could not be considered further until there were clearer delineation "at the ministerial level" of DURD's responsibilities, particularly with reference to Treasury, DOT, NCDC, and NURDA, and there was a clear indication of the extent to which DURD was expected to engage in the Commonwealth/State arena. The letter asked a series of questions, the answers to which were to provide the PSB with the information required to properly assess DURD's proposal.

In the event of PSB opposition to the top structure proposals, Troy and Uren had decided to ask the Prime Minister to intervene personally with the Board. This step was seen by Lansdown as extreme and undesirable, as it seemed to place DURD above the normal rules of the game, which stressed the direct roles and responsibilities of the permanent head and the Board¹³. Troy felt the need to apply political muscle to nip any signs of bureaucratic obstructionism to Labor in the bud.

Whitlam had taken the soft option in the dispute between Uren and Jones and it was not long before the consequences of his decision began to appear. The BTE had produced a report on transport needs in the States, a copy of which had been leaked to Mr Jim Spigelman in 1972¹⁴. Labor used it as the basis of some election promises. Unbeknown to Uren or DURD, Jones and DOT had used the report to develop a five-year program of assistance to the States. The first Uren knew of it was when Jones listed a Cabinet submission on the matter in early February. On the evening of Wednesday, 7 February a row developed between Uren and Jones over the matter. The dispute was carried into Cabinet. Jones proposed that Cabinet agree to his submission based as it was on the BTE report, part of the basis of the transport policy on which Labor had been elected.

This was a powerful argument in a government whose approach was that all of the promises made in the election campaign had to be honoured. Whitlam in particular was strongly of that view. The DURD people, especially Troy, regarded the BTE report as 'bad' from an urban and regional development point

of view. Uren championed that argument in Cabinet, bolstering it with the claim that Labor was not elected on the basis of a few specific items of transport policy but mainly because of its general platform on the cities. Uren and his advisers thought the report so bad that if implemented by government it would destroy the transport element of DURD's strategy for the cities. DURD devised an alternative approach which would satisfy some of the claims of Jones and DOT. That position won the day when presented to Cabinet by Uren, but the Prime Minister was beginning to get some idea of the extent to which the roles of DOT and DURD overlapped and their approaches differed.

On Thursday, 8 February, the morning after the row between Uren and Jones, Mr Summers phoned Lansdown, leading to a meeting of the two in Summers' office on the following Monday afternoon¹⁵. Whatever the state of relationships at the ministerial level the permanent heads, as is usual among permanent heads, had a quite amicable discussion, according to Lansdown's official account, pursuing ways to make the interdepartmental relationship as harmonious as possible and to establish working arrangements which accurately reflected agreements at the political level. They agreed that joint access to the bureaux did not mean joint control of them: DOT retained control. They also agreed to collaborate at the earliest stages of any future proposed Cabinet submission, acknowledging that the DOT submission then before Cabinet would lead to argument between their two Ministers.

To avoid, so he thought, future overlap problems between the two ministers and between their departments, Whitlam had Cabinet set up the Joint Transport Study, a standing committee arrangement by which Uren and Jones could seek agreement on contentious aspects of transport policy¹⁶. An officials' committee would support the ministerial arrangement and would be chaired in turn by the permanent heads of DOT and DURD. That Officials' Committee was the IDC on Joint Transport Studies. The Cabinet decision authorised DURD and DOT to initiate 'joint studies into urban, inter-urban and regional passenger and freight movement'. The studies were to be assisted by the BTE and CBR with collaboration from DCA, DSI, DEC and the Treasury¹⁷.

Whitlam's decision to give DURD and DOT joint access to the bureaux and Cabinet's subsequent action of authorising joint studies, in effect making both Ministers jointly responsible for urban transport policy, was something of a blow to DURD's ambitions in the area. What was to be an area of policy over which Uren and DURD would exert control had become one of compromise relying on cooperative administrative arrangements. Serious conflict at either ministerial or official level could destroy cooperation, and with DOT controlling the policy organisations, could mean immense difficulties for DURD in having much say in the field. Apart from being totally excluded from the policy area by an AAO amendment, the joint access and joint studies solution was the worst possible for Uren and DURD.

On 31 May the Prime Minister announced that DOT and DCA would be amalgamated, as he had promised in Opposition¹⁸. Although that process proved to be difficult, took many months, and did not produce a particularly successful amalgam, it was clear that transport was a major policy context and a priority of the government¹⁹. Urban transport matters were to be treated as primarily part of the transport function which itself was primarily the responsibility of DOT. The series of decisions of the Prime Minister and Cabinet which produced the joint administrative arrangement amounted to a de facto choice of the transport policy context over an urban and regional policy context on urban transport issues and a rejection of any possibility of a role for DURD to coordinate government action on urban transport matters. Any effect DURD might have in the urban transport field would have to be as a result of compromises reached on IDCs or through progress with its urban and regional budget and related planning efforts.

Uren and Whitlam had a long telephone conversation on the morning of 14 February, the day after Cabinet's Decision No. 166 which established the joint nature of control of urban transport policy and with which both Jones and Uren were far from happy²⁰. The Prime Minister was about to leave for a trip to Indonesia and promised Uren a meeting about DURD's place in government on his return. In the meantime Uren would arrange for a 'note' to Whitlam

on the detailed spelling out of the functions of my Department and of its comprehensive role in giving focus to the Government's urban objectives and programme It is particularly important to have your clear concurrence in this detailed spelling out. I am already concerned about the misunderstanding and confusion that can come if a clear statement of function is not given support. Again I will have my staff speak with yours about this note, on the basis of your earlier letter that my Department is a major policy arm²¹.

Uren had felt let down by the Prime Minister over the solution to the DURD/DOT dispute. The telephone call and proposed meeting were elements of a reconciliation. For Uren they were also to achieve more for his portfolio in future and to get favourable treatment from the Prime Minister if similar difficulties arose with another minister and department. A major reason for Uren's writing to the Prime Minister on 14 February was to put on the written record what Uren understood to be their telephone agreement. The main item in that agreement was mentioned towards the end of the letter:

As I said to you this morning, I have always felt that my task was to continue the mission you initiated in the Walter Burley Griffin Memorial Lecture of 1968. In that lecture you clearly indicated that in order to get the right allocation decisions we must have the right set of institutions. We have agreed in the past that to be effective, my Department must have a resource allocating role.

The letter, drafted by Troy, was a clever device to gain something from the transport loss²². A copy of the letter, with its clear statement of the Prime Minister's wish for DURD to have a resource allocation role, was sent to the PSB on 15 February, obviously intended as persuasive support for DURD's organisational claims.

On 27 February, the same day the PSB had requested more information from DURD to support its proposal, the Chairman of the Board was asked to attend a meeting with the Prime Minister and Uren set for 2 March. Prior to the meeting, Cooley informed the Prime Minister that DURD could expect no favours, even through the intercession of the Prime Minister himself. Implicit in his message was a reassertion of the PSB's traditional independent status.

The PSB's reputation for integrity and being above politics was not all that was at stake in the DURD case. It was consistency in its decisions, maintained the Board, which gained for it the respect of the Parliament, Government and Public Service. The Board's approach to coordination was dominated by a concern for consistency and equity in accordance with established guidelines, a quasi-legal arbitral role which the Board felt required firm protection from political interference. If it played favourites or made exceptions, its authority, despite being based in an Act of Parliament, would soon come under attack. Cooley was determined to keep the Board above political influence as he walked into the room for his meeting with the Prime Minister on Friday, 2 March.

Apart from Cooley and Whitlam, present were Uren, Troy and Lansdown as well as the Prime Minister's advisers, Dr P. Wilenski and Mr J. Spigelman, and the Permanent Head of DPMC, Sir John Bunting²³. Discussion was based on a five-page aide memoire prepared in DURD with the two major issues being the functions and staffing of DURD²⁴. The problem as put in the aide-memoire was that the statements of DURD's functions decided by the Machinery of Government Committee and appearing in the AAO, were unclear in two ways:

- (i) they leave unsaid the relationship with other Commonwealth Departments; and
- (ii) they are insufficient for the purposes of the Public Service Board.

There was a reminder that whereas decisions about function were the prerogative of the Government, those 'about organisation, staffing and classification are the statutory prerogative of the Public Service Board'. The wording in the AAO of DURD's functions read:

Matters relating to city and regional planning and development, including assistance to, and cooperation with, the States and local governing bodies.

Two phrases in this wording were taken and expanded in the aide-memoire into a fuller explanation of Uren's conception of what Whitlam and his Government wished DURD's role to be. The result was an extremely ambitious presentation indicating the understanding of Uren and his advisers to be that DURD would be

central to a restructuring of Commonwealth/State relations. The aide-memoire contained a ten-point statement of DURD's functions for consideration by the meeting and decision by the Prime Minister and a five-point argument for DURD to be granted a 2-4-6 second division structure.

The Prime Minister began discussion by stating his general support for statements indicating DURD's importance as a 'major policy arm' of the Labor Government. He entered a crucial caveat, however, indicating that where functional overlaps occurred with other ministers and departments he had to be mindful of competing claims. Uren stressed the importance of DURD's task to the electoral performance of the Government. As a description of what the Government required Uren and DURD to do, the Prime Minister commented that the aide-memoire 'seemed all right to him', rather offhand confirmation of the powerful role being claimed.

Discussion quickly shifted to the issue of DURD's second division structure. There were references in the aide-memoire to the need for staff 'of the highest calibre' to 'function as peers' with officials in all three levels of government and to 'not be less in stature than other major policy and co-ordinating departments including Treasury', but nowhere was there a specific reference to classification levels. Nevertheless the discussion was an extended argument about whether DURD should have a 2-4-6 structure. Troy and Uren restated points from the aide-memoire claiming that they amounted to a justification of DURD's claim. Cooley stressed

that the PSB had to consider the interests of all departments, being fair to all. If DURD deserved a structure similar to Treasury's for recruitment purposes the PSB would recommend it: if not, the PSB would not. As an example of the PSB view, Cooley claimed that officers in the Service already at levels 1 and 2 would usually apply for FAS vacancies at level 3 since a promotion would be involved. Similarly those already at level 3 who were seeking a new career would also apply at that level:

There was considerable argument about this and points were made contrary to Mr Cooley's views.

It emerged that the Board's chief worry was that DURD wanted higher levels so as to be able to poach the best officers in the Service from other departments, consequently weakening the losing departments. As Cooley put it, 'DURD wants to pick the eyes out of the Service'²⁵. Lansdown's summary of the conversation shows the balance of forces:

The Prime Minister's comments interwoven were helpful to the Department's interest. He reinforced the importance attached to the Department, believed that Departments were not all equal and that certainly Departments such as the Media, Repatriation, Services and Property were not the equal of DURD. He said that if Foreign Affairs was, as was suggested, more important also than the others, then Foreign Affairs as well as DURD should both be at levels 6, 4 and 2. There was a great deal of discussion of this kind, we pressing our points, Mr. Cooley pressing the general Service view and Sir John Bunting generally subsiding (sic) with Mr Cooley. The Prime Minister seemed to be in our court.

Lansdown was dubious about the whole exercise of forcing Cooley to confront the Prime Minister over the levels issue. Quite early on, Lansdown had expressed his view that the meeting was not concerned with classification but rather with a 'clear identification of what the Government wanted and the responsibilities that the Department was to discharge'. At the end of the meeting Cooley reminded the participants that it was the Government's task, firmly and clearly, to make known the functions and expectations of the Departments; it was then up to the PSB and the Permanent Head to produce the appropriate organisation and classifications. Lansdown subscribed to Cooley's assessment.

The meeting did not complete an evaluation of the ten-point list of functions, but only one major change, by which DOT's joint claims in transport policy were acknowledged, and a few minor changes were thought necessary to the first five. Points 6 to 10 were to be considered at a reconvened meeting on the afternoon of Wednesday, 7 March. In the event these too escaped significant change.

Lansdown's conciliatory approach was aimed at finding a way to resolve the issue by the 'normal channels'. He had seen an opening and sought to exploit it. Cooley had admitted that there could be special cases where higher classifications might be in order, 'especially where people must be drawn from outside'. Lansdown's message to Killeen was that in urgently

recruiting contract staff for executive positions, as agreed by the PSB on 27 February, particular care had to be taken that those engaged were 'the sorts of persons who intrinsically would justify Levels 6, 4 and 2'. Lansdown's hope was that if contract staff were paid at the higher levels and filled executive positions for a sufficiently long period it may become accepted that the positions they filled would be identified as commanding the higher levels in a permanent establishment. This was the manner of working of a professional official and it gained the respect of other professionals in a way that being able to command ministerial muscle did not.

The PSB wrote again on 13 March asking DURD for more information defining its functions and delineating them from those of other departments and authorities. This was a request to hurry up with the functional statement which was discussed on 2 and 7 March with the Prime Minister. On the positive side the Board saw no problems in DURD's arranging for contract staff for terms up to about 5 years and remuneration well above level 4 salary for highly qualified people from outside the Service and offered help to draft suitable advertisements. Whereas the PSB's attitude on consultants was helpful it was suggesting that perhaps DURD could recruit as consultants the very highly qualified people needed but not available in the Service; the less highly qualified from within or outside of the Service could then be recruited in the normal way at lower levels. It

was an attempt to give DURD what it claimed in its pay argument to want, salaries to attract the top people, without giving DURD what it actually wanted, the structure and pay levels to attract the best officers from other departments especially from Treasury. From the Board's point of view it was a very satisfactory arrangement.

Troy and Uren kept working at the political level, causing a letter to be sent from the Prime Minister to the PSB on 16 March notifying of the Prime Minister's intention to establish SIDCURD with DURD in the chair²⁶. Once again the intention was to inform the Commissioners of the importance which the Prime Minister attached to having a successful DURD.

Agreement was reached between the PSB and DURD on a level 3 appointment for head of the Management Division, and that Mr L. Killeen be appointed to fill the position²⁷. It has been claimed that acceptance of the level 3 offer for a divisional head position weakened the DURD claim for a 2-4-6 structure²⁸. It would be difficult to sustain that claim. In the first place, it is not the case that a 2-4-6 structure requires that every position be level 2, 4 or 6. There are cases where a level 1, 3 or 5 position exists, in an overall 2-4-6 structure. Secondly, it is unlikely that, even if DURD were to be given the structure claimed, the head of management

would be a level 4 appointment. The workload in such a small department would not be sufficiently heavy to justify the higher level and the PSB would have pointed that out. DURD's claim for the elite structure was not based on any special requirements in the provision of management services. Thirdly, if there had been a strong case for a level 4 management head and the general 2-4-6 structure were approved, the PSB could simply have upgraded the management positions without any loss of face.

DURD's response to the PSB's letters of 27 February and 13 March was that jurisdictional difficulties with DOT and NURDA were unresolved²⁹. Until the PSB had a substantive answer from DURD on these issues or until the PSB could reasonably claim that a sufficient time had elapsed for DURD to provide the requested information without doing so, no final decision could be made by the Commissioners on DURD's proposal. Senior PSB and DURD officials met for further discussions on 28 March. On the following day the Commissioners met with Lansdown and he agreed to re-examine DURD's proposal in the light of what had been agreed about using consultants in some senior posts. Lansdown had to agree to that proposal from the Commissioners since it satisfied DURD's primary stated reason for requesting the higher salary levels.

Ministerial disputes over DURD's position were sufficiently, if only superficially, resolved by late March for the Prime Minister to provide Uren with a statement, 'Department

of Urban and Regional Development: Functions of Department'³⁰. The statement was the product of the two meetings of 2 and 6 March. In his covering letter the Prime Minister expanded on the content of Cabinet Decision No. 166:

The Department is required, jointly with the Department of Transport, to assess the demands for transport services arising from initiatives in restructuring urban areas or for regional development to ensure that appropriate provision is made for investment in transport services in the urban and regional development budget programme³¹.

The sixth point of the functional statement was a clear expression of the joint responsibilities of the two departments³².

The ten point functional statement for DURD was the first such document ever produced for an Australian government department and approved by the Prime Minister. Point 1 was a general grant of policy responsibility in urban and regional development, describing DURD as 'a major policy arm of the Australian Government'. DURD's right and responsibility to initiate and coordinate activities of other federal departments in the urban and regional field was contained in Point 4. These two were the most general of the ten points. They were meant to make clear to all departments and authorities the extent of the role given by government to DURD.

Points 2, 3 and 5 added meat to the general grant with requirements for DURD to develop an urban and regional budget and an urban economic and long-term resource planning capacity, and to have a primary role with the States, semi-government and local government authorities in preparing the implementing plans for cities and regions. All three of these points were directed to countering Treasury's objections to the role sought by DURD. Treasury claimed dominion where budgetary and economic planning matters were involved. It also had the major role in negotiating with the States whenever there was a financial component, which was the case in almost all federal/state dealings.

The other five points involved more specific aspects of DURD's responsibilities. Point 6 made clear that DURD and DOT were jointly responsible for urban transport policy. This was the single significant departure from the list of functions in the aide memoire, and, as the Prime Minister made clear in his covering letter, was necessitated by Cabinet's Decision No. 166 of 13 February. Point 7, giving DURD responsibility for initiating and coordinating research into urban and regional development, was a specific incident of the general grant of coordinating authority in Point 4; the confirmation for

development of a land commission program was in Point 8; DURD was recognised as administratively responsible for developing new cities in Point 9; and Point 10 gave DURD control of the development of a national estate program. Points 6, 9 and 10 were intended to clarify aspects of DURD's relations with DOT, the Cities Commission and DEC respectively, while Points 7 and 8 confirmed the Government's wish for DURD's role specifically to include the matters mentioned in those two points.

There was only one major reason for the ten-point statement. It provided the PSB with a document from the Prime Minister confirming that DURD's role included the functions implied by its top structure proposal. This was the kind of further information referred to by the PSB as necessary before approval could be granted to the establishment of second division positions for the divisions and branches requested by DURD. The further information had not only to confirm DURD's claim to specific functions, as in Points 7 and 8, but also to indicate the correctness of DURD's claims where there were rival claims from other departments and authorities, as in all the other points except No.1.

What authority the statement had with the PSB derived from its having come from the Prime Minister who traditionally was responsible for the shape of the Ministry. As such it was a gloss on the AAO, making a little clearer what was meant in

parts of that document. It would have carried no legal force, being intended only to support DURD's case with extra information and make known in writing the will of the Prime Minister.

Once in existence the statement was seen to have another use as an authority to which Uren and DURD officers could point for general propaganda purposes or whenever problems arose at the jurisdictional limits³³. That was a very secondary use of the document and of doubtful value. A copy of the statement of DURD's functions was sent to the Chairman of the Board by the Prime Minister under covering letter of 2 April. The Prime Minister restated the argument that DURD should have a structure of the same status as that of Treasury and Board members were reminded of the importance the Prime Minister attached to the achievement of progress in the urban and regional field.

The functional statement was ultimately accepted by the Board as sufficient to justify DURD's functional claims and it was resolved that the major part of the divisional and branch structure as proposed be recommended to the Governor-General. DURD's claim for the 2-4-6 structure, however, was rejected, despite the Prime Minister's intervention. Cooley had reminded the 2 March meeting of the respective roles of government and the PSB in establishing a department and he did not allow the Prime Minister's will to dominate in the area of the Board's statutory responsibility. The Chairman of the PSB did not have it all his own way, though. When the Board made its decision

on DURD's levels instead of the usual consensus a vote was taken which was 2-1 against that part of DURD's proposal. This was one of only two majority decisions of the PSB in the post-war period³⁴.

Lansdown met once again with the Commissioners on 18 April to be told the nature of the official PSB offer, the letter containing it being delivered to DURD on the following day. The Board was prepared to recommend to the Governor-General that two positions of deputy secretary at level 4, seven of division head at level 3 and twenty of branch head at level 1 in the major part of the divisional and branch configuration proposed by Lansdown be created immediately. A proposal for a further division head and two branch heads for the national estate and coordination functions was under consideration.

This meant a victory for DURD in terms of its organisational shape particularly in its economic capacity but defeat on the 2-4-6 component of the proposal. The Board had partly overcome its doubts about DURD's functions in the spheres of Commonwealth/State relations and resource budgeting as well as the apparent overlap with the functions of other departments and authorities. It had not been convinced, however, of the necessity to recommend an elite top structure.

The next move was DURD's. Lansdown had to formally request the creation of the offices and the levels which the

Board had signified it was prepared to recommend. No move in that direction was forthcoming. Instead Uren wrote to the Board stressing the urgency of his department's staffing needs at the higher levels so as to attract top quality staff. Cooley, who had informed the Prime Minister of the Board's offer to DURD, wanted DURD's case finalised as quickly as possible³⁵. He phoned Lansdown on 1 May expressing the Board's wish to finalise the next day: Lansdown responded with another letter supporting DURD's claim³⁶. The Board replied reaffirming its position, with letters also to the Prime Minister and the Minister for URD containing the same message³⁷.

Lansdown had to have management staff. A handful of consultants could not be expected to take the place of a second division structure indefinitely. DURD finally capitulated and agreed to most though not all of the Board's offer. On 6 June DURD notified the PSB that it had been informed by Treasury that funds were available for 7 level 3 and 20 level 1 positions. The Board's formal recommendation for their creation (except for the level 3 management position already created) was issued the next day. Lansdown wrote to the Board outlining DURD's objections to the Board's position and notifying that it would not seek to create nor fund 2 level 4 deputy secretary positions pending an approach for their reclassification to the higher level³⁸. That was a card which Lansdown hoped would some day become a trump. He hoped that once DURD's role was established and accepted at the ministerial and official levels the justification for the higher classifications might be more

obvious. At that time he would use his claim for two deputy secretaries at level 6 to cause an upward classification of his whole second division.

The DURD structure had seven divisions, instead of the nine proposed. Divisions 1 and 9 of the submission were absent from the approved top structure. Commonwealth coordination and national estate matters were to be dealt with by other parts of the organisation approved by the PSB. The Urban and Regional Development Division was denied any formal link with the Cabinet Committee on URD, meaning that DURD would have to deal with that Committee through its Minister. All of the committee's administrative support would come from DPMC. Any efforts at the departmental level to ensure coordination between DURD's activities and those of other agencies would have to be undertaken either informally or through the standard formal administrative mechanisms. Without the proposed Commonwealth Coordination Division, each of the approved divisions would have to acquaint itself with the interdepartmental activities of the other divisions and carry out the often tedious tasks associated with membership or, more particularly, chairmanship of an IDC.

An Assessment:

The debate about DURD's top structure levels had two layers, ministerial and administrative, both political. Uren, supported by Whitlam, had an elected politician's argument that DURD was to be 'a major policy arm of government' at least as

important as the Treasury and should therefore have at least the same status organisationally as the Treasury. That status was equated with having a 2-4-6 structure. The bureaucrat's argument was that the higher levels were essential if DURD were to attract and keep the kind of staff vital to its ability to fulfil its government-given functions. This was the argument of Lansdown and Killeen, more aware than the ministers and bureaucratic neophytes of what sort of argument tended to impress the PSB. Troy thought the political argument should have been enough but, given the PSB's statutory independence, knew the second was also necessary. He was confident their combined effect would bring success. Status and power were at the heart of the politician's argument: the bureaucrats presented it as essentially a pay issue. If either argument had gone DURD's way it would have had the elite structure. In the event it won neither.

One layer of debate was administrative, where technical issues and PSB guidelines tend to predominate in determining outcomes of S.29 proposals. The permanent head and the PSB negotiate over what the PSB is prepared to recommend for the Governor-General's signature. There are compromises and since the PSB with its statutory power has the whiphand, it is the department which compromises most, often grudgingly.

DURD's major argument was that higher salary levels were essential for the department to attract the urban specialists scarce worldwide who were necessary to fulfil its role. Within

DURD this was thought to be the sort of appeal which had brought higher levels of a number of other departments, including the Treasury. It was not the real reason for the proposal: that was to achieve equal organisational status with the Treasury so as to be able to attract top people from within other government departments, particularly Treasury. The movement of such top officials would not only bring skill and networks of contacts to DURD it would also weaken other departments some of which were seen as rivals³⁹. It was nevertheless the argument put to the Board and had to be considered on its merits. The questions are whether DURD had got the argument right and if so why it had been rejected by the Board.

The PSB's criterion in deciding the number of second division positions and their levels is executive responsibility. This determines whether the PSB recommends the creation of Deputy positions and at what level FAS positions are established. Executive responsibility can be judged by the size of the workload or by the nature of the work, if it is particularly sensitive or difficult. There is another criterion. If a department needs staff with special skills and qualifications for which there is a market demand, such as medical doctors or lawyers, the PSB would approve higher levels than could be justified by executive responsibility alone. The Departments of Repatriation and Health were two which had benefited from that argument. It makes sense that whichever criterion is being argued by a department as the basis of its claim for a higher status structure, the PSB must have some

means available of being able to judge what a department's needs are. This usually means an organisation will have existed for some time before any of its positions can be judged to deserve higher levels. As a brand new department DURD could cite no history in support of its case.

A further point against DURD's case was that the Department of Prime Minister and Cabinet, the Department of Trade and Industry and the PSB itself, which could all claim to be of high status, had only 1-3-4 structures. DURD's status argument does not bear analysis. For the PSB to recommend higher levels than were in a 1-3-4 structure it had to be satisfied that, on a position by position basis, one or both of the two factors, heavy executive responsibility and market competition, were genuinely involved. Of this the Board was not easily satisfied as is testified to by the fact that in early 1972 there were thirteen level 6 and only two level 5 positions in the entire second division establishment of 873. That was also the position when Labor took office at the end of 1972⁴⁰.

It would seem that DURD had not put quite the right argument to the PSB. There was no specific mention in its proposal or in any of the subsequent arguments of DURD's expectation of having to carry a particularly heavy executive responsibility right across its second division. The Department was created *de novo*, so it could not be maintained that any rib from which it had sprung had carried such a load. Even if that

factor were taken by the PSB to be implied in the proposal there was no evidence on which the Board could decide the point. In every case in which a senior structure was recommended there was an organisational history which preempted dispute on the matter. The Board, nevertheless, conceded that DURD was likely to carry an executive load equivalent to that of a central coordinating authority. That would of itself bring equivalence with only DPMC or the PSB itself. That was the best DURD could hope for on that count. To gain equivalence with the Treasury the market argument would also have had to be accepted by the PSB as applying to a large proportion of second division offices.

Of the market argument's applicability to DURD the Board was very sceptical. The Chairman, at least, thought the levels were requested so DURD could 'pick the eyes out of the Service'. He was correct, but even if that were not DURD's intention the market argument did not apply to DURD as to Treasury and the others it was felt, if only because DURD had not demonstrated that positions advertised at lower levels would not bring applications from the right sort of candidate. If the response were poor then perhaps the matter could be reassessed, went the Board line. Secondly, although DURD was searching for the highest quality of staff, relatively few of its positions would be for the kind of urban economist/urban planner said to be scarce worldwide. Those relatively few positions could be filled perhaps on a consultancy basis for a period of years at high rates of salary. DURD would have to demonstrate that the

professional salary argument applied to a large proportion of its second division positions before the consultancy solution would be deemed inappropriate. The PSB Commissioners, or a majority of them, did not accept that DURD had demonstrated the validity of putting the market argument as a justification for any of its offices having a higher classification than would otherwise be the case.

The political argument was thrown out of court by the Board. Cooley had stressed at his 2 March meeting with the Prime Minister that under S.29 there is a demarcation of responsibilities between the Government and the Board; allocation among Ministers of functions and responsibility for legislation is the proper task of government but decisions about the organisations necessary to enable ministers to pursue those functions and administer the legislation are the statutory responsibility of the PSB. The aide-memoire, meeting, and functional statement approved by the Prime Minister were all influential on the Board's decision but only insofar as clarifying the functions of DURD was concerned. All of the argument at the meeting about levels and the consequent four-point 'staffing' section of the document sent by the Prime Minister to the Board counted for nought. That it was none of the Prime Minister's business is a not too inaccurate representation of the Board's attitude.

The Board's role is to protect 'Service-wide interests' and derives from S.17 of the Act⁴¹. Under S.29 the Board is put in the position of holding a balance between the staff

resources a permanent head acting under S.25(2) may want for his department and what the PSB might think sufficient. The Board makes its S.29 recommendations to the Governor-General. If the government strongly disagrees with the PSB there is a procedure under S.18 of the Act which could lead to the government's view predominating. Under that section the Governor-General can refuse to accept the Board's recommendation asking for the matter to be reconsidered. If the Board maintains its position the matter may go to Parliament for decision. In practice, neither the government nor the PSB wishes to go to such lengths, so an accommodation of views is invariably reached. It is only in considering the PSB recommendations under S.29 or in proceeding under S.18 that the political level becomes involved formally in the establishment process. That is the legal basis on which the PSB Commissioners discounted the Prime Minister's intervention in the recommendation stage of DURD's proposals.

Even if the political argument, centred as it was on organisational status, had been granted a hearing, it would have been considered specious by a majority of the PSB Commissioners. Both DPMC and the PSB itself had central coordinating roles yet neither had at the time a 2-4-6 structure. The Treasury had the higher levels but it was thought that they were in recognition of the professional worth of the officers associated with the role rather than in any but a marginal way contributing to the success of the role⁴². If Parliament and Government gave a coherent coordination role to a minister and department or to an authority, as in the cases of the Treasury, DPMC and the PSB, with the necessary legislation

and executive backing, that would be sufficient to bring success to the role. To argue that higher pay structures would somehow give a department a better chance of success in a coordinating role was to suggest that coordination could be achieved by organisational status, based on second division pay levels, an idea quite alien to the Australian Service. If a coordinator failed in the role it would be because it did not have requisite legislative or executive backing.

Whitlam at no time took the issue of DURD's levels to Cabinet⁴³. If he had and if Cabinet had supported Uren, the S.18 procedure would have been effectively begun and the PSB may have chosen to give way to the wish of the entire Government whereas it would not to the Prime Minister and one other minister. Whitlam knew that if he went to Cabinet over the issue some other ministers would want what Uren wanted and for no better reason than that⁴⁴. Even if Cabinet did not prove difficult over the issue Whitlam then had Caucus to convince. In 1972 Caucus had decided that all ministers would be equal, with no inner Cabinet. Early in 1973 Cabinet had decided and Caucus had approved that there be only a single salary level for permanent heads, replacing the approach of having two groups, differently paid. With encouragement from a few ministers, there was a strong chance that Caucus would see the issue as one of equality between ministers and continue the trend set by the two previous decisions, a course promising conflict with the PSB at a time when Whitlam was keen to rebuild bridges with the Board. Perhaps Whitlam could have had his way with Cabinet and

Caucus but he wanted neither the risk of losing nor the bad feeling that would certainly have been created. That was merely to have the matter sent back to the PSB for reconsideration. Other problems associated with an Opposition-controlled Senate were waiting if the Board still insisted on keeping to its original recommendation. It was a case of the Government having the legislative authority but the Prime Minister not willing to take the matter far enough, fearful of having perhaps to pay too high a political price.

A variation on taking DURD's proposal to Cabinet under S.18 would have been for Whitlam to seek to introduce special legislation in favour of DURD and taking the matter out of the PSB's hands. Such legislation would have been greeted by protest from sections of the Service and could not escape the pitfalls of passage through Cabinet, Caucus and the Opposition-controlled Senate. It would not have appealed to Whitlam as a real alternative.

Another political remedy available to Whitlam was to take advantage of the fact that both of the positions of PSB Commissioners fell vacant in the first half of 1973⁴⁵. The Chairman's term of five years had only begun in 1971 but Mr A.B (Tich)McFarlane had been appointed by Mr Gorton in mid-1968 and so was due to be replaced. Mr J. Collings was only part way through his term but he was given the year-long job of reorganising Australia House, London, early in 1973 and was replaced temporarily by Mr F.C. Nordeck. Collings retired early and Nordeck was appointed a Commissioner.

McFarlane's replacement was Mr Des Linehan, then federal secretary of the Administrative and Clerical Officers' Association and President of the Council of Commonwealth Public Service Organisations, a union man. It is reported that McFarlane's was the dissenting vote over DURD's level claim and if that vote were taken as an indication of McFarlane's attitude to the Government, Whitlam could have seriously considered reappointing him. As it was, Linehan's appointment was generally popular in Government and Union circles and he was expected to help improve the PSB's relationship with the Government.

The important appointment though was Nordeck's, following Colling's early retirement. A Prime Minister, interested in taking advantage of the political opportunities offered, would have ensured the appointment of someone who professed to be in favour of the Government's aims, particularly in the area of reform, to make the Service a more efficient instrument of government. Whitlam did not take that opportunity. With Nordeck's appointment the chance of a review of the Board's decision on DURD's levels disappeared.

Whitlam's approach was to not use possible political openings. He did not take DURD's case to Cabinet and Caucus. He did not take advantage of vacancies on the PSB, particularly when Collings retired, to make 'political' appointments. In both arenas he preferred to take the course which promised overall harmony, in Cabinet and Caucus, and in the PSB, a course

which meant ongoing disputes among small groups of ministers and among their departments⁴⁶.

Having failed to convince the PSB that DURD deserved a 'Treasury' structure, Lansdown, Troy and Killeen stood back while Uren tried a different tack to give DURD what it wanted. The ALP Federal Conference of July 1973, held in the Queensland beach resort of Surfers Paradise, provided those ministers who felt the need with their first opportunity to summon Party support for particular proposals which they knew or suspected would be opposed by PM, Cabinet and/or Caucus. Conference decisions are authoritative for Labor people so it is in a minister's interest to have his view become the Party's view by having it approved by Conference. Seven months of governing had revealed many areas of demarcation dispute between ministers and between their departments. Some of these were on show at the Conference⁴⁷. For example, Mr K. Enderby, Minister for the Capital Territory, was defeated in a move to have child care programs transferred from the Education Minister, Mr K. Beazley, to Mr W. Hayden, Minister for Social Security. Mr Uren and Dr M. Cass, Minister for the Environment and Conservation, were unsuccessful in an attempt to have control of population policy taken from Mr A. Grassby, Minister for Immigration, and given to Dr Cass.

The most ambitious scheme of this type was undertaken on Monday, 9 July, by Uren who sought to have his own Department established beyond doubt as coordinator of all government

activities which bore on urban and regional development. He put forward a motion to that effect. The Department of Transport (DOT) and Department of Housing (DOH) would have been first and most affected by Conference approval of such a move. The Minister for Transport, Mr C. Jones, apparently ignorant of Uren's plan, was absent from Conference, while the Minister for Housing, Mr L. Johnson, seemed only vaguely aware of the danger and eventually followed the lead of Hayden in opposing Uren's motion⁴⁸. After a private word with Hayden, Uren, realising he had insufficient Conference support, accepted amendments to his motion requiring DURD to cooperate with other interested departments in policy formulation. His scheme had backfired. Instead of a Conference statement of role elevation for DURD, it had been written into the Platform that DURD would consult and cooperate, not control. Uren's ministerial colleagues would have none of Uren as an overlord within Cabinet, nor of his department playing that role within the bureaucracy. Whitlam had been correct in his judgement not to take DURD's claim to Cabinet when blocked by the PSB.

The fact that Uren sought to have Federal Conference give DURD a coordination role, which he claimed the PM had already given it, is indicative of the degree of difficulty Uren and his Department were having with some Ministers and their departments in seeking to establish an urban and regional development policy context. The PM's support was less than full and Cabinet's was not forthcoming. These early failures involving DOT, the PSB and the ALP Annual Conference were forerunners of the serious,

long-lasting disputes DURD had with the Departments of Housing and Construction and Services and Property and with the Treasury.

CONCLUSION:

What this and the previous chapter demonstrate is the low level of control DURD officials had in designing its organisation. They were absent from the process prior to the AAO being issued. They had to shape the top structure proposal according to directions from the PSB to resolve competing claims for jurisdiction, such as that with DOT. When the negotiating with the PSB was over, DURD did not have the pay levels to compete with Treasury for senior staff. It did not have a Commonwealth Coordination Division charged with promoting DURD's position with other departments. Nor was the Urban and Regional Development Division permitted any formal link with the Cabinet Committee on Urban and Regional Development. By June 1973, DURD had spent six months achieving an organisation inadequate for its perceived needs. Its officials looked to the future with the hope that the influence of Uren in Cabinet and the success of DURD officials on IDCs, especially SIDCURD, would suffice until the Strategy, Budget and some programs could be developed to propagate DURD's view.

It must be remembered that DURD was given most of what it requested organisationally. What it was not granted and what it fought for most vigorously was a pay structure for permanent

officials to rival that of Treasury. As was suggested earlier, the only reason for this approach that bears analysis is so as to attract the best officers in the Service, particularly from Treasury. Yet, success in this approach could not have given DURD a structured co-ordinating role. To the central authorities, DURD was just another policy department, though probably one with less claim to existence than others. The long fight with the PSB can be seen only as a waste of time and resources in a vain attempt to achieve something which could not have worked in any case. What the episode did demonstrate was the power of the PSB to control pretenders to a coordinating jurisdiction. Its appeal to uniformity of treatment, efficiency and economy and its ability to insist that DURD follow set procedures and rules meant that DURD had to play its game. Secondly, the episode displayed Whitlam's lack of political determination and muscle. He clearly wished to avoid rocking the newly launched boat. Rancorous conflict with his Cabinet colleagues and a "stand-off" with the PSB might have resulted from his strong support for giving DURD a coordinating capacity. Whitlam avoided those possibilities. Finally, the episode and the events surrounding it indicate how strong were Uren's Cabinet competitors in supporting their interests against his. When the events are seen in this light as a reflection of what was happening at Cabinet level, we are probably correct to judge that the PSB 'got it right'.

The difficult times continued throughout DURD's existence as it strained to convince other departments of the extent of

its jurisdiction. There is no better example of the difficulties than the relationship between DURD and Housing. That relationship, the major case study in this thesis, is treated in the next chapter.

C. OVERLAPPING JURISDICTION

CHAPTER FOUR

COMPETING JURISDICTIONS: THE HOUSING CASE

We have already seen how the formal organisational design process operates to limit the jurisdictional ambitions of ministers by limiting their human and organisational resources. A coordination role requires a service-wide acceptance of an organisation's power to impose that particular procedural value. That acceptance derives from more than a statement in the AAO even if backed by specifics from the prime minister. There is a need either for legislation specifically establishing the coordinating jurisdiction as with the PSB or for it to be long established and traditional originating through government necessity as with the financial control role of Treasury (Finance) and with the policy coordination of DPMC. In every case there is implicit Cabinet backing for the institutional structuring into government of the particular procedural value. A coordinating jurisdiction thus requires both Cabinet backing and structuring in terms of regulations, procedures and understandings. DURD had neither.

The case of DURD's relationship with the Housing Department is particularly interesting. From the earliest months of the Whitlam Government the jurisdictional competition between the two gradually increased with prime ministerial involvement merely exacerbating the difficulties. The case indicates clearly how badly placed DURD found itself for attempts to coordinate.

The Uren camp had a static picture of the Department of Housing (DOH). This picture had policy growth taking place in DURD while the responsibilities of DOH remained primarily administrative and subject to direction from DURD. Uren could argue that it was a major ALP concern to further urban and regional development, the priority of which was such that one of only five Cabinet standing committees had the title of 'Urban and Regional Development'¹. His shadow ministry responsibilities since November 1969 had covered housing and urban and regional development². He thought of the housing function as one of several important elements in a general urban and regional development strategy, each element to be developed in association with the others. Independent development of one would have repercussions for the others, not a serious concern so long as DOH worked closely with DURD and accepted guidance from DURD. The welfare housing function could have been expected to have a high priority for a Labor government but for Uren and his team it was manifest that URD had a higher priority.

There were grounds at both ministerial and departmental levels for thinking that any difficulties that might arise between the URD and Housing ministries would be overcome quickly. In the first place both ministers were identified with the same section of the Labor Party, the broad left, which regarded Dr Jim Cairns as its leader and Uren as a senior member. The Housing Minister was described at about this time as follows:

Les Johnson was a fairly obscure backbencher generally regarded as a faithful follower of the left wing line without any particular abilities of his own³.

Secondly, Uren, ranked no. 13 in the ministry, was somewhat senior to Johnson at no. 22⁴, not so important in itself in a Cabinet of 27 nominally equal members, but indicating the likelihood that Uren would command more support than Johnson in any dispute between them. Thirdly, both, along with Dr Moss Cass, the Minister for the Environment and Conservation, and 27 Labor backbenchers, were members of Labor's Caucus Standing Committee No. 5, one of ten such committees providing ministers and Labor backbenchers with opportunities to discuss the implications of proposed policy moves⁵. Fourthly, both were among the eleven members, all ministers, of the Cabinet Standing Committee on Urban and Regional Development, another forum for regular policy discussions⁶.

At the departmental level, DOH was a junior department in every way. As at December 1971 it was fifth smallest in terms of total staff⁷. More importantly, as is witnessed by the fact that one of the departments smaller than DOH was DPMC, DOH had a second division structure which was, in terms of numbers, equal smallest with the Department of Air, both having only six executive officers, as well as being of the most junior type, having no deputy secretary and with its first assistant secretaries established at level two, the second lowest level in a six tier structure⁸. Only another four departments, Air, Army, Navy and Social Services had equally junior second division structures⁹. Such structures were given only to departments which the PSB considered lightweight in terms of both the quantity of executive work and the degree of executive responsibility borne¹⁰. On the other hand, DURD was meant by its creators to be of the most senior status, equal with the Treasury, with the most senior type of second division establishment, a 2-4-6

structure¹¹.

Sir Robert Menzies led the Coalition to victory in the 1963 General Election. To fulfil an election promise he established on 17 December of that year the Department of Housing to create and administer, inter alia, a Home Savings Grant Scheme for young couples buying a first home¹². The Schedule to the Administrative Arrangements Order establishing the new department had the single word "Housing" in the second column (principal matters dealt with), while the third column (enactments administered by the Minister) was blank. Within a few weeks legislation relevant to War Service Homes and the general housing function had been transferred from the responsibility of the Minister for National Development to that of the first Minister for Housing, Mr L.H.E. Bury¹³.

In 1918 the Australian Government entered the housing field with a War Service Homes scheme for returned servicemen and servicewomen¹⁴. An extension of interest came with the Commonwealth Housing Act, 1927-1928 which gave authority to the Commonwealth Savings Bank to lend to prescribed authorities at all government levels for housebuilding purposes¹⁵. First the Depression and then the Second World War ensured that the powers in the Act were not often used and it was repealed by the Commonwealth Bank Act, 1945. War-time conditions brought the Australian Government more directly into providing housing, first for groups of munitions workers and in 1943 to relieve the general shortage in the community. A Commonwealth Housing Commission to enquire into housing matters was established in April 1943. Its report led to the first Commonwealth-State Housing Agreement, in 1945, which gave the

Commonwealth Government a role in financing home building, and to the establishment of a Commonwealth Housing Authority which was linked administratively to the War Service Homes Commission forming the housing side of the Department of Works and Housing created on 13 July 1945¹⁶. The WSH Commission did not become a division of DWH until 1947 and thereafter was relocated administratively several times prior to the Whitlam era: within Social Services from 1951; within National Development from 1956; and within Housing from 1963¹⁷. The general housing part of the department went to National Development when Works and Housing was abolished on 4 June 1952, where it stayed until DOH was established in 1963¹⁸.

A year after DOH was created, legislation for the promised Home Savings Grants Scheme had been added to the responsibilities of the Housing Minister¹⁹. It was joined by legislation creating the Housing Loans Insurance Corporation in 1965²⁰ and the Dwellings for Aged Pensioners Scheme in 1970²¹. During 1972, DOH took over administrative responsibility for Commonwealth Hostels Ltd. from the former Department of Labour and National Service, and joined with Labour and Immigration in administering the Migrant Flats Scheme.

The Commonwealth-State Housing Agreement, 1945, was renegotiated and renewed in 1956 and again in 1961 and 1966. A housing program was agreed with the States in 1971 by which the provisions in previous agreements continued to have force, although no renegotiations occurred at that time²².

Just prior to December 1972 DOH consisted of three divisions: War Service Homes and Management Services, Policy and Research, and

Operations.

With those it pursued its functions listed as:

National Housing Policy, including Commonwealth-State Housing Agreements, War Service Homes, Home Savings Grants, Dwellings for Aged Pensioners Scheme, Housing Loans Insurance, and provision, management and maintenance of transitory flats for migrant families²³.

When Whitlam retained DOH instead of integrating it with the new DURD not much significance was attached to the fact by DURD:

Although the housing function was an integral part of the land use and resource allocation and resource planning responsibilities of DURD, the failure to obtain responsibility for housing did not greatly concern the ministry, at least in its early stages. Essentially, Housing was an administrative department: although it conducted some policy research and made assessments of housing activity, its main charge was the administration of the Defence Service Homes and Commonwealth-State Housing Agreement programs, supplemented by allocation of grants under the Home Savings Grants Scheme²⁴.

There had been one or two minor indicators of stirrings in DOH for a more active Commonwealth role in housing in the final days of the McMahon Government. A meeting in Canberra of representatives of Commonwealth and State housing authorities on Thursday 23 November 1972 agreed to recommend to parent governments the establishment of an Australian Housing Research Council, a permanent organisation for technical and sociological research in the housing field²⁵. There were also talks before the 1972 election between Uren and Dr Ron Mendelsohn, FAS Policy and Research in DOH, on the possibilities for developing housing policy within an urban and regional development

framework, specifically with Mendelsohn's policy and research organisation as a division of a future DURD. Mendelsohn was enthusiastic at the prospect and was later disappointed when the DOH structure was retained by Whitlam²⁶. There was an eagerness among DOH officials for a more activist policy role and to see housing as a higher priority than formerly of the Commonwealth government. What DOH needed were both the policy priority to guarantee high levels of funds for spending programs and an active minister open to ideas and forceful in Cabinet.

Both Uren and Johnson realised the proximity of their powers and responsibilities. Mr J. Nimmo, permanent head of DOH since its creation, was for a day, until Mr R.B. Lansdown was appointed on 20 December 1972, acting permanent head of DURD. Uren and his advisers had discussions with Nimmo in the week before Christmas about the roles of the two ministers and their departments and demarcation between them. The general view in the Uren camp was that no serious difficulties should arise. That impression had been strengthened by a friendly letter from Johnson to Uren urging close, cooperative relations between the two ministers and between their departments, especially in keeping each other informed²⁷. Johnson suggested that the two departments' central offices "be housed in close proximity, if not in the same building". He highlighted the closeness of task given to Uren and himself when noting that the PM in the ALP's election policy speech,

stated that a Labor Government would have two over-riding objectives: to give Australian families access to land and housing at fair prices, and to preserve and enhance the quality of the national estate, of which land is the very

foundation.

Although the PM in lumping residential land and housing together realised the close link between them, he had given responsibility for each to a different minister. The close cooperation indicated by the tone of Johnson's letter would be vital for the separation of such closely linked responsibilities to succeed.

Below the level of conciliatory presentation in Johnson's letter was a more serious attempt at claiming policy jurisdiction. He first reminded Uren of the significance of the link between residential land and housing:

... the non availability and very high cost of residential land to State Housing Authorities has compelled them to reduce their new construction programmes quite drastically. State Housing Authority commencements in each of the years 1969-70 and 1970-71 were running at about 18,000 per annum. In 1971-72 commencements were reduced to 15,000. In the September quarter last year, commencements were cut further to an annual rate of about 12,000. In some States, especially New South Wales, the rising cost of land has been the major factor inducing this reduction.

The number of housing commencements was important because of what other statistics indicated. While there had been this fall in commencements there had been a rise in the number of applicants on housing authorities' waiting lists, from 73,000 in 1968 to 93,000 in June 1972²⁸. The wait for welfare housing for each applicant was measured in years ²⁹. Johnson acknowledged that although the supply of residential land was fundamental to the success of his own activities it was Uren who had ministerial responsibility. He asked

to be kept fully informed of the plans of Uren's proposed land commissions to develop areas for housing, "especially the locations and date of development of these new lands".

There was an ominous passage in the letter in which Johnson announced that his imminent discussions with State housing ministers would include the topic of land and that he would pass on to Uren "their estimates of land requirements and where and when the land will be needed". This implied that negotiations with the States about residential land for welfare housing would be conducted through Johnson, understandable given that the States had long used Housing Agreement finance to purchase necessary residential land. Demarcation was going to be difficult and Johnson was not about to make his own task any more difficult by involving Uren every time land was mentioned.

In the first few weeks of 1973 Johnson put several submissions to Cabinet, including one proposing that he renegotiate the Housing Agreement with the States and another that finance be made available to assist the States with "urgent needs" in the housing field prior to 1 July when he intended the new Housing Agreement to commence³⁰. Uren was unhappy about both submissions. Housing and the land upon which it stood could not be separated. Under the split of responsibilities decided by the PM, Johnson had housing and Uren, land. With only a skeletal department in the first half of 1973, Uren was in no position to become involved in aspects of the renegotiation, nor even to present a detailed and strongly argued case against a submission by another minister on a matter in

which Uren and DURD claimed an interest. While not attempting to block the urgent finance proposal, Uren did not want to see a repetition of such a proposal which had implications for residential land matters:

It is the Minister's (Uren's) present feeling that all future initiatives to acquire land for State Housing authorities should lie with the Minister's Department and Land Commissions³¹.

He suggested to the Cabinet Urban and Regional Development Committee, of which both he and Johnson were members, that it establish an IDC to examine the general housing submission put forward by Johnson as the basis of a new Housing Agreement. His reason for doing so was expressed as,

my concern for the establishment of a national housing policy which took into consideration the wider implications of our Party's urban and regional development and social security policies³².

It seems that no such IDC was established since Cabinet approved both submissions in January without delay³³. From the earliest days of the Labor Government, Cabinet strongly supported the notion that a minister should be allowed to control matters clearly within his portfolio responsibilities unless there were good reasons for Cabinet to interfere. The Commonwealth-State Housing Agreement was viewed as primarily Johnson's responsibility whatever its possible implications for URD policy and he was given Cabinet backing to pursue that responsibility.

Uren's reply to Johnson's letter of 10 January confirmed DURD's claim to authority over residential land and promised close working relations at both ministerial and departmental levels, including investigation of Johnson's suggestion for the two departments to be located geographically close together³⁴. At this early stage in their relationship both ministers seemed disposed to cooperate. It is clear however that this initial exchange in January had indicated Johnson's determination to pursue strongly his mission of providing the resources necessary to produce growth in the welfare housing area. He would endeavour to cooperate with other ministers but as Housing Minister he had his own idea of what was needed as well as the powers of any minister to act as he saw fit, subject only to the controls of Cabinet and the PM. Uren, in requesting the Cabinet Committee to refer Johnson's submission to an IDC, had already sensed the danger.

Problems with the States were sufficiently overcome by late June for a new Housing Agreement to be finalised at the Premier's Conference. The Agreement, to operate for five years from 1 July 1973, provided \$218,650,000 for 1973-74, an increase of 26% on the previous year's allocation³⁵. Johnson regarded the new Agreement as his triumph and he had impressed Whitlam by completing it so early in the Government's term³⁶.

The departmental organisation used by Johnson to renegotiate the Agreement was similar to that inherited from the Coalition government. The same three divisions (War Service Homes and Management Services, Policy and Research, and Operations) persisted, but instead of having a single officer at level one in each division,

there were now two ³⁷. During 1973 the top structure of DOH was reassessed by the PSB and the creation of a fourth division was approved but formal action to establish was deferred when the PM gave notice of an intention to amalgamate DOH and Works (DOW).

Some dubious policy ideas had been generated by Johnson and his advisers during the first half of 1973, such as eliminating State stamp duty on some classes of home purchase through a special Commonwealth subsidy, housing young couples saving for a first home in Commonwealth hostels until they had saved their deposits, and using mobile housing in cases of need when the housing construction sector was under pressure³⁸. The emergence of such notions indicated that, although the role of DOH remained substantially what it had been prior to December 1972, it was being pursued with a vigour that reflected the enthusiasm of the Minister, his private office and his Department.

In the same six months, DURD had been struggling along with a tiny staff while disputing the size and status of its top structure with the PSB³⁹. Consultants contracted to cover the period of staff difficulty had begun to flesh out policy positions into programs and projects but, with the Budget almost due little had been done to secure the level of funds the Department expected to spend. There was also uneasiness among Uren's people about the new Housing Agreement:

They feel that it is too long a period for all the Housing Commissions to have the facility to buy land on the city fringes for mass housing estates without consulting DURD about the overall planning priorities of the Federal Government. They see a danger in the creation of more "Green

Valleys" and would have liked to direct the commissions to spread their homes for those on lower incomes among existing urban regions instead of placing them in clusters⁴⁰.

It was later reported as having been admitted by the FAS Housing Assistance Division of the Department of Housing and Construction (successor to DOH) that the new Agreement "was deficient in that it failed to embody conditions consistent with DURD policies"⁴¹. Lloyd and Troy, in retrospect, claimed that Uren and his Ministry saw the Agreement as tying the Government's hands in an important area of housing policy for five years because the renegotiation was on traditional lines discounting the approach to land use and human settlement championed by DURD⁴².

Uren's initial move in the Cabinet URD Committee to refer DOH's housing policy to an IDC had failed. Despite the Government's commitment to urban and regional development, the prospect of doing immediately things which would reflect favourably on the Cabinet outweighed demands made on behalf of longer term policy considerations. To put off renegotiating the Housing Agreement, which promised benefits to the poor and needy, until DURD had advanced its own policy position and negotiations with the States, would appear to many members of Cabinet as akin to fiddling while Rome burned.

The stop-go nature of the housing and construction industry and its vulnerability in an uncertain economic climate had initially interested Johnson and his Department only insofar as the welfare

housing sector was affected. By September 1973 that interest had extended to include the entire industry, though DOH had not the staff with necessary skills to do much in that broad area. Johnson had noticed the comparatively low rise in the cost of building a government home in Canberra compared with its equivalent in the States⁴³. A huge and ambitious scheme was forming in his mind, to create a capacity at the federal level to deal with policy and planning in the entire housing and construction industry and to expand the range of construction activities undertaken by the Department of Works. Johnson envisaged an amalgamation of DOH and DOW as the first step, a move apparently welcomed by Whitlam and virtually guaranteed when Johnson became also Minister for Works in October 1973:

Consistent with the declared attitude of the Prime Minister, it is intended that all Ministers will hold only one portfolio, and accordingly the two departments will be amalgamated⁵⁴.

Johnson indicated greater Australian Government involvement in housing enterprises and an attempt to build houses more cheaply⁴⁵. He proposed the entry of the federal level into the home building industry using the manpower and budget of DOW and by building on Commonwealth land in the States; the establishment of an indicative planning council consisting of government officials, builders, trade unionists and consumers, to determine a planned program of housing commencements in the medium and longer term; and to establish an industrialised housing task force to seek methods of producing cheaper, high standard housing, perhaps including factory mass-produced pre-fabricated dwellings⁴⁶. He established a Task Force on Housing Standards within DOH during November 1973 to produce

uniform standards of safety, health and amenity for housing, against which construction costs could be properly assessed. The Task Force was to operate in conjunction with a new permanent consultative and advisory body proposed by Johnson to be called the Australian Housing Standards Conference and to be established with the Task Force, (but not established until 16 April 1974 and called the Australian Housing Standards Advisory Council)⁴⁷. When eventually established it had 27 members, the majority from the private sector and only five from the federal level. At about this time, too, an Indicative Planning Council for Housing was established with a mixed public/private membership⁴⁸.

Johnson advocated a number of longer term measures by the Government to ensure the stability of the industry, including the following: control of the supply of residential land through the Land Commissions being developed by DURD; development of growth centres and new towns, an activity of primarily DURD and the Cities Commission; greater supply through extension under the auspices of the Treasurer of government controls over non-banking financial institutions; the introduction of industrialised building techniques, involving standardisation and pre-fabrication, to be controlled by Johnson in the heralded Housing and Construction portfolio; the introduction of indicative planning of commencements in the industry to level out the peaks and troughs of building activity, also to be the responsibility of the Housing and Construction Minister; and better training of industry workers, particularly apprentices, another matter for Johnson's new portfolio⁴⁸.

On the organisational side he was toying with the idea of an

Australian Housing Authority as an umbrella for defence service homes, Commonwealth Hostels, Housing for aboriginals, service personnel, pensioners, migrants, off-campus students and public servants, and housing construction in the ACT and Northern Territory⁴⁹. He further proposed that land owned by the Australian Government, including,

... very choice sites now occupied by Commonwealth Hostels which are beyond repair and other sites scattered around Australia now used for a wide variety of Commonwealth purposes which will soon be redundant,

could be a source of residential land for welfare housing⁵⁰. Johnson's scheme was grand and centralist aimed at bringing order into an industry dominated by chaos and uncertainty, using the socialist means of central planning, financial controls and the establishment of a central government home construction capacity. Quite apart from difficulties with the States and the industry, he was bound to challenge the jurisdictions of some of his ministerial colleagues in such an endeavour, particularly that of the Minister for URD.

In October 1973 moves had begun to amalgamate the ministries of Housing and Works. Such an amalgamation had not been in the PM's mind as far back as December 1972, as had those involving the various departments in the Defence area and in Transport. In both of those cases the departments proposed to be amalgamated had a common minister from December 1972, Mr L. Barnard for the Defence group and Mr C. Jones for the two departments in the Transport area. Johnson was the Housing Minister from December, but Senator J.L. Cavanagh had held the Works portfolio from that time. The added responsibility

for Works was given to Johnson on 9 October 1973 and the amalgamation process began, ending on 30 November with the abolition of the Department of Housing and Works changing its title to Housing and Construction and taking on extra functions and staff.

There was a degree of ministerial ambition in Johnson's plans for the joint portfolio. He wished to create a significant new focus for Australian Government policy:

... in line with our policies, I am reviewing the existing functions of the Departments of Housing and Works to ascertain whether it is desirable and practicable to extend, in a sensible manner and in the time available, these existing functions. This would not only involve the assumption of new functions in the field of housing construction by the Australian Government, but also the possible co-ordination of our existing housing construction responsibilities under the one Ministry of Housing and Construction. My hope is to use this new omnibus Department to help stabilise costs, to rationalise building concepts, to improve estate planning techniques and to advance community welfare by better sociological planning and servicing⁵¹.

Since its inception in 1963 DOH had been a low ranking department whose major responsibilities were administering the Defence Service Homes Scheme, Commonwealth-State Housing Agreements and the Housing Loans Insurance Act, 1965-1966. Its role of creative policy maker was minor. The Works Department was instrumental as the Commonwealth's general construction authority. There was only a slight functional relationship between the two departments. To Johnson and his Director-General of Works, Mr A.S. Reiher, soon to be the Permanent Head of the new DHC, the reason for the low policy profile was that the Commonwealth had never used to any great degree its constitutional access to the housing field⁵². A legal opinion

had been obtained from the Attorney-General's Department that the Australian Government had constitutional power to construct housing for Aborigines, migrants, Australian public servants and employees of Australian government statutory authorities and several other minority groupings⁵³. The Johnson conception was of a housing and construction policy organisation with a construction arm, a powerful welfare housing and central government construction empire. If the PM's agreement could be obtained, Johnson intended to gather under the DHC banner all of the elements of the housing function spread among various departments. He asked for the PM's view on the desirability of transferring some or all of the Housing functions of the Ministers of the Australian Capital Territory, the Northern Territory and Aboriginal Affairs to the new Ministry of Housing and Construction⁵⁴.

He also sought responsibility for the Aged Persons Homes Act, administered by the Minister for Social Security and suggested that the role of the Defence Service Homes Division of his Department be widened to provide the same assistance to purchase homes to serving members of the armed forces as was already available to war veterans. He reminded the PM of the extension of housing power available in the Constitution. Here indeed was a minister in search of a powerful policy role and department to match. The entire initiative was unwelcome to Uren who, but for the Caucus-imposed need for the PM to have 27 ministers would have had control of the housing function. He had not foreseen Johnson's attempt to create a new policy focus for the Labor Government and it boded ill for future relations between Uren and Johnson and between their departments.

Following normal procedure, the PM sought the views of interested ministers, including those for the Capital Territory, the Northern Territory, Aboriginal Affairs, Social Security and URD, of Johnson's requests. Both Uren and Mr. G. Bryant, the Minister for the Capital Territory, strongly opposed that part of the proposal bearing on the ACT⁵⁵. Uren also objected to a request in Johnson's letter to the PM to establish a new Housing Projects Construction Division in DHC on the ground that it would "overlap and duplicate the activities of my Ministry"⁵⁶. Having received the views of the various ministers the PM informed Johnson that because of the "varied nature of their responses you should consult with them personally before taking the matter further"⁵⁷. Apparently, only the Minister for Aboriginal Affairs was not against handing over housing responsibility to Johnson⁵⁸.

Only three weeks after Johnson wrote to Whitlam and well before the views of other ministers were collected, the PM, who personally supported the amalgamation, had caused the creation of DHC⁵⁹. Whitlam had, in effect, merely tied together administratively two existing departments with no concern for the total concept Johnson was presenting. If DHC were to be more important than the sum of its two parts it would have to depend on how successful Johnson and Reiher could be with what they had. They were certainly getting no help from the PM beyond the executive order creating DHC. The task facing Johnson and his Department was not unlike that presented to Uren and DURD by the PM. The episode is typical of Whitlam's style of leaving his ministers to sort out demarcation problems among themselves even though any lasting solution was not likely through that means. Instead of giving an

authoritative direction in the form of an amendment to the Administrative Arrangements Order to resolve disputes over policy jurisdiction, Whitlam left his ministers and their departments to argue over ambiguous statements of their respective functions and powers. That was the position in which Uren and Johnson now were. Uren had suggested to the PM that DHC's proposal for a new Division could be discussed by SIDCURD before the two ministers met to review their differences⁶⁰. DHC was not a member of SIDCURD and the issue of the new division was a matter for neither Johnson nor Uren. Such questions were the proper concern of the PSB and the Permanent Head of the department, in this case, Reiher⁶¹. Uren and DURD would have no say in DHC's organisational shape.

Because of the increased policy role implicit in the creation of DHC, it could be expected that the central office policy component would be organisationally larger and more imposing than had been that of DOH. In anticipation of such a finding, the PSB swiftly consented to an immediate expansion in the number of branches in the three existing divisions in the housing component of DHC from six to eleven⁶². With the probability of an even larger DHC top structure to be approved by the PSB the Uren camp was concerned about what it regarded as almost certain overlap and duplication in policy and organisation, although the PSB, which did not necessarily share DURD's view of the respective roles of the two departments, would have seen it differently. The amalgamation process and its immediate aftermath led to a serious rift between the two Ministers. What had begun as ambiguity of control over residential land had become a rift between ministers, each seeing the other as an intruder into his jurisdiction.

When DURD was established Uren and his senior people had no doubt that it had the task of overseeing the entire building and construction industry because of the importance of industry resources to urban development. The Treasury had expressed no interest in seeking to manipulate those resources, preferring to let market forces rule and using the state of the industry as a barometer for the general economy. It thus resented DURD's ambitions in the area. DOH had been primarily interested in the housing, particularly welfare housing, aspect of the industry. So slight was DOH's involvement in the matter of the general resources of the industry that it was not even nominated for membership of SIDCURD, established by the PM on 16 March 1973. There were thus no active rivals to DURD's claims although Treasury would have preferred no change in the existing position. The creation of DHC also created the legitimate rival.

Whitlam had unwittingly given Johnson a portfolio with the power, on paper, to do much of what DURD was attempting in the housing and general construction sector. Relying on the AAO, Johnson could have argued that industry resources, residential land, all Commonwealth construction, urban reconstruction, even sewerage, were legitimate concerns for his new Ministry. The fact that he could have so argued is evidence of inattention paid by the PM to creating ministerial rivals. Whitlam's portfolio structuring had already produced serious problems for DURD with DOT and DSP as well as less serious difficulties with a number of other departments⁶³. For DURD, DHC was potentially the biggest problem of all. It is no exaggeration to say that there was by the end of 1973 a departmental

rival or potential rival for every major aspect of DURD's role.

A series of bilateral talks between officials of DURD and DHC was undertaken as a first stage to reconcile their two ministers. The first of these, on 21 January 1974, involved Troy of DURD and Reiher and Mendelsohn of DHC⁶⁴. They referred to the "break-down in communications" between their ministers, an indication of the seriousness of the rift. Reiher asserted that DURD was a trespasser. The AAO allocated housing and construction matters to DHC and Johnson and his Department planned an early expansion of activities in their policy jurisdiction. Various Cabinet decisions established DURD's claims to the lands commission, growth centre, office construction and other programs, so for the moment DHC could do little to shift DURD on those, but it could and did make some claims to be involved. It also claimed membership of some IDCs in which DURD was involved, especially SIDOURD. A specific matter looming as a source of dissension was the Glebe project. The Cabinet Submission to purchase the Glebe estate in inner Sydney was made jointly by Uren and Johnson, although Uren had adopted the higher public profile⁷⁶. DURD had done most of the work associated with the acquisition and early redevelopment, but since by the end of 1973 administering the estate and rehabilitating the dwellings, both of which could be seen as within DHC's brief, were the major remaining tasks, DHC claimed primary responsibility. These were the main points made by Reiher to Troy at their meeting. In reply, Troy promised to involve DHC where possible in DURD's programs, projects and IDCs. While admitting that housing and construction were DHC functions, Troy claimed for DURD a wider role,

to review not only the welfare housing programs but the capacity of the construction industry to achieve the goals this Government had set in trying to improve urban areas⁶⁵.

If there were to be an agreed demarcation it would have to be, from DURD's standpoint, on that basis, with DHC pursuing policy within a framework established by DURD. Matters associated with urban resources, those resources which the Government could channel into urban development, were central to DURD's interests. If its 'Bureau of Budget' endeavours, involving urban resources, were to be frustrated DURD would be nothing more than another welfare department and perhaps a poor one at that.

The production by DURD in January 1974 of a paper containing proposals for developing and managing the Glebe estate served to sharpen the difference since there had been no prior interdepartmental consultation on the paper's contents. Reiher disagreed with the contents on several grounds but especially that insufficient recognition had been given to the role of DHC which had an "extensive relationship with the States on housing matters for the Australian Government"⁶⁶. DURD's position was that its Minister was "publicly perceived as the relevant Minister"⁶⁷. The inner urban rehabilitation projects of Glebe in Sydney and Emerald Hill in Melbourne were visible signs in the community, at relatively low cost, of the successful operation of the new Department established by the Labor Government to cater for urban development. More than just a lack of neatness of administrative boundaries was at issue.

The dispute over Glebe symbolised the differences between the two departments, both of which could offer reasonable cases based on executive documents for claiming Glebe as within their respective policy jurisdictions.

To DURD the new claims of DHC were a nuisance. Uren and his advisers were convinced of the role DURD had to play to produce desired results and the last thing wanted was a minister, urged on by his department, presenting a competing policy focus for Cabinet endorsement. That had occurred already with the transport function and there were similar problems with property and recreation. Troy's dismissive comment on DHC's attempt to have a greater IDC involvement was representative of a more general attitude within DURD:

I think we will have to find a small piece of action in which we can involve them if only to keep them quiet⁶⁸.

Both departments recognised the need for,

close and continuous association between the Departments when matters of housing were involved and the need for joint action in many matters, if the Government is to achieve its objectives quickly and without undue overlap of effort within its Public Service⁶⁹.

The approach favoured by Reiher was for the two departments to share a close, cooperative relationship, each keeping the other informed of any activity likely to be of interest and taking joint action wherever the interests of both were involved. That kind of joint approach had curtailed DURD's initiatives in the transport area and would not be adopted voluntarily by it with respect to housing.

In February a further difficulty arose. The first meeting of an IDC sponsored by Johnson and chaired by his department was about to take place. It dealt with indicative planning in the housing industry. DURD already carried on work on resource planning for the housing and construction industry and was keen to know whether Johnson's initiative would present difficulties. Johnson had made Submission No. 695 "Indicative Planning of Future Dwelling Commencements" to Cabinet on 3 October 1973. It proposed the establishment of an IDC with DOH in the chair and the Treasury, DOL, DURD, DSI, and DOW, as well as the Reserve Bank and the Australian Statistician, as members. This IDC was to,

plan the structure and establishment of an indicative planning body and prepare guidelines for determining desirable levels of house building activity in each of the years 1974-75 to 1976-77.

The Submission was approved by the Economic Committee of Cabinet and endorsed by Cabinet, establishing the IDC on Indicative Planning in the Housing Industry (IDCIPHI)⁷⁰. Indicative planning as a general economic concept appeared as a desideratum of the Economic Planning section of the ALP Platform⁷¹. There was no specific mention of it in the section of the Platform dealing with Housing and Urban Affairs. This is the reason that Submission No. 695 went to Cabinet via the Economic Committee rather than the URD Committee. The Government, in supporting Johnson's submission, was happy that a minister was taking the Platform goal to heart within his own policy realm. The decision to introduce indicative planning was taken by Johnson prior to his professional relationship with Reiher. The Treasury, an opponent of indicative planning generally and especially

suspicious of it in the housing sector, would have briefed its Minister to resist Johnson's submission but Crean did not argue successfully against the proposal. A part of the reason for Cabinet's rejection of the Treasury view may have been that Johnson had trumpeted the Government's commitment to indicative planning, and had been widely reported in the press⁷². Almost certainly, another part of the reason was a suspicion within the Labor Cabinet of the anti-planning attitude known to be dominant within the Treasury.

Johnson announced the establishment of IDCIPHI on 16 December 1973⁷³. His new Department, DHC, was to hold the chair with membership as proposed in his Cabinet Submission. Its task was to,

establish a top level forward-planning authority to lay down guidelines and coordinate the home building industry three years in advance the first task of the Interdepartmental Committee would be to work out the most efficient means of planning the whole exercise⁷⁴.

So, IDCIPHI was not to evaluate indicative planning as an economic approach but to take its value as given. It was to recommend how Cabinet's decision might best be implemented and to establish a suitable planning authority.

Dr Ron Mendelsohn (DHC) and Dr Michael Keating (DURD), both of whom were to represent their respective departments on IDCIPHI, met to discuss indicative planning on 6 February 1974. Mendelsohn claimed that DHC had a wider jurisdiction than had DOH and so its mandate was to plan for the entire housing and construction sector and not for merely the housing sector⁷⁵. This would have

represented a significant intrusion into DURD's claimed jurisdiction.

To realise its alleged new planning responsibilities DHC had sought an appropriate organisational capacity from the PSB. Keating came away from the meeting with the impression that there would be overlap "to an enormous extent" if Mendelsohn's statements truly represented DHC's position, but he suspected that they did not. An "informal chat" between Lansdown and Reiher at a dinner party on 12 February tended to confirm the opinion within DURD that Mendelsohn "was taking a harder line than Mr. Reiher" and that some demarcation of responsibilities should be attempted by the two permanent heads⁷⁶. The nature of DHC's proposal to the PSB was also checked by DURD which received the reassurance that the proposal did not represent an intrusion into the "acknowledged role" of DURD⁷⁷. A series of discussions ensued, involving at various times Uren, the permanent heads and other senior officials of the two departments. The jurisdictional problem area was identified as "resource utilisation and planning" in which DHC had a mandate over planning in the home building industry whereas DURD's responsibility was for urban economic resource planning which included planning for the entire building and construction industry⁷⁸. On that understanding of respective roles DURD's resource planning activity was an umbrella under which DHC pursued its sectional interest. A distinction between the roles of the two could thus be made technically but they were obviously so closely linked that a degree of overlap and duplication seemed unavoidable. Considerable cooperation would be necessary if any kind of mutually satisfactory working arrangement were to be possible.

It was with this tentative basis for demarcation that the representatives of DURD and DHC attended the first meeting of IDCIPHI, which met four times, in February, March, April and October 1974⁷⁹. Its discussions, despite its brief, were dominated by attacks on the concept of indicative planning and on the suitability of employing it in Australia's housing sector. The assault was led by the Treasury, but most members contributed and even the DHC representative, in the chair, was sceptical of the exercise⁸⁰. Apart from these objections there was also the problem of policy control. Although Johnson's proposed planning authority was to operate in the housing field, Treasury and the Reserve Bank argued that indicative planning (for whatever specific policy application) lay in the field of economic policy. DURD, with its own policy stance on planning, sided with DHC on that issue and was content to see the authority established so long as it and DHC confined their planning activities to the welfare housing sector.

Despite the negative feelings about the value of indicative planning and the unresolved question of control, IDCIPHI members agreed that the Cabinet Decision had to be obeyed and the proper task of the committee was carried out at its last meeting⁸¹. A report went to Johnson who established the Indicative Planning Council early in 1975. At no time was Johnson given a written report by his Department on the methodological problems associated with indicative planning, perhaps, suggests Jones, to protect whoever gave Johnson the initial advice⁸². Equally plausibly, it could have been to save the Minister embarrassment over a scheme which he had initiated and about which he had said much in public.

Even after the February bilateral talks on demarcation, there was still uncertainty. Mendelsohn had claimed at the first meeting of IDCIPHI that DHC was interested in resources "far beyond housing" and needed to pursue "a wide ranging interest"⁸³. In addition, Reiher was not convinced that DHC's other claims against DURD, as aired in the January meeting with Troy, would be satisfied without agreement between the two Ministers. Reiher urged Johnson to talk to Uren in the presence of their top officials. Johnson agreed and wrote to Uren suggesting a meeting,

to discuss and clarify the roles of our Departments in the matters which are arising where urban development and housing policies are both involved⁸⁴.

He made clear his intention to have a significant policy role whether or not it conflicted with Uren's self-perceived role and he suggested that a "close ministerial relationship (beyond that which is practicable in the U.R.D. Committee) and by even closer and more detailed inter-departmental association" would be necessary to achieve housing policies compatible with URD policies. As specific matters of difficulty requiring discussion he identified the inner city sites of Glebe and Waterloo in Sydney and Emerald Hill in Melbourne, the nominated growth areas of Albury-Wodonga on the border between NSW and Victoria, Holdsworthy near Sydney and Belmont in West Australia, and the implications for DHC of the Land Commissions program.

The PM became formally involved in the interministerial difficulties early in 1974. Mr Fred Daly, Minister for Services and Property, found irksome and distracting the duties and problems

associated with the property and geodetic survey functions of his portfolio⁸⁵. He wished to give his full attention to his duties with respect to the Commonwealth Electoral Office and the Parliament. Uren had heard that some of Daly's ministerial functions were to be relocated with the Minister for Housing and Construction with parallel relocation of parts of DSP's organisation. The property function had come to be viewed by Uren and DURD as vital to the success of their efforts with Commonwealth office space and land commissions. It would have been seen as disastrous by them if the property function were to be given to their developing rival. Uren wrote to Whitlam:

... I want to propose that my Department be considered as the more appropriate to carry out the work involved with property acquisition and management⁸⁶.

Uren and Lansdown had no wish for a larger organisation, the move being largely motivated by a desire to keep the property function away from Johnson and his department⁸⁷. Caught in the position of having to choose between his ministers and their competing policy emphases if he relieved Daly of the property burden, Whitlam prevailed upon Daly to retain the function for the time being. Having put the problem aside, the PM sought and received advice from the PSB on the method for achieving a solution. In effect, Whitlam wanted a technical solution to what was really a political problem. It was a replay of events early in 1973 involving DURD and DOT⁸⁸. The PSB again advised that the PM make an authoritative statement on the respective responsibilities of the two ministers⁸⁹. Whitlam had not enjoyed the aftermath of the earlier transport decision to

which the PSB referred. He also had more serious problems with a Federal election imminent. He decided to postpone any definite action. Instead, he wrote to the two ministers suggesting that, although immediate resolution of difficulties was unlikely because of the election,

it would no doubt be useful for (the issues) to be looked at as between the two departments in the meantime so that matters requiring Ministerial attention can then be brought forward promptly⁹⁰.

Uren objected strongly to the PM's suggestion, insisting that ministers not their departments should seek to resolve the difficulties. He advised both the PM and Johnson in those terms, after first informing Lansdown that DURD officials were not to have discussions with DHC officials on the contentious matters before the two ministers had met⁹¹.

Before this injunction was issued Lansdown and Reiher had met again and were able to agree that their interests were "different and complementary"⁹². Their general discussion avoided the difficulties which arose on specific issues. Privately, Lansdown was cautious but not overly concerned about the policy ambitions of DHC. Referring to Johnson's letter to Uren of 3 April, he wrote:

Actually I do not think that Housing and Construction are setting out to compete with us across the broad range of urban activity. My impression from this letter and from other related talks with Alan Reiher is that they want to find a place as a principal in activities that involve housing. They do not want to be tagged just as administrators of the Commonwealth State Housing Agreement.

I have no personal objections to looking to a wider role for Housing and Construction but within limits. Housing and Construction is such a vast Department that one cannot really expect great creativity and flexibility across the face of the Department. My own personal view is that the sheer bulk of the construction end of it will swamp the policy side. We want to be careful therefore that we do not constrain urban policy in one of its important fragments by encouraging too wide a policy formulation role in Housing and Construction⁹³.

Lansdown's view, though more sympathetically and discreetly expressed than Troy's "piece of action", amounted to something similar. He could appreciate Reiher's felt need for some policy control but he was unwilling to give up much if any himself.

Immediately prior to the May 1974 General Election, Uren had DURD prepare an interim urban and regional development strategy paper to be used for electoral purposes. The paper, produced in a hurry, made reference to negotiations between DURD and the Sydney City Council over Australian Government action in Woolloomooloo, an inner eastern suburb of Sydney¹⁰⁷. There was an immediate reaction within DHC which had not been consulted and feared being left out of yet another project in which it considered it had a substantial interest. Reiher expressed annoyance in seeking further information from Lansdown⁹⁴. The differences between the two ministries, manifestations of the fundamental demarcation difficulty, were mounting in number as the May election drew near.

To complicate the situation further, the new structure of DHC, on which a joint PSB/DHC team had been working since the 30 November amalgamation, was approved by the PSB on 14 May 1974⁹⁵. Where before there had been three divisions on the Housing side of

the department now there were five: Development, Industry Resources, Housing Assistance, Building Technology and Sociology, and Housing Projects and Home Loans. The more traditional functions were with the Housing Assistance Division (looking after welfare housing, private housing, and transitory accommodation and special assistance in its three branches) and the Housing Projects and Home Loans Division, with three operational branches and the Management branch. The old Policy and Development Division was effectively divided into three divisions to cater for the expansion of DHC's interest in the resources of the housing and construction industry and in research involving building technology and sociology. In the old top structure there were three FAS and eleven AS positions: in the new there were five and eighteen respectively. The new divisions were the PSB's acknowledgement of DHC's claims to a serious policy role in housing. They provided a capacity for research, information gathering and statistical analysis fundamental to the development of Cabinet submissions with sophisticated policy components, particularly involving industry planning, and able to withstand Treasury scrutiny and DURD competition. With his new organisation, Johnson was assuming a position which Uren would find difficult to combat.

Both ministers were unaffected by the election and its aftermath. They had agreed to meet on 19 June. Lansdown made the first move after the election when he requested Reiher to ensure DHC's "cooperation" in an information exchange exercise operated by DURD's Strategy Division⁹⁶. The intention was to "collect systematically the various plans and policy statements of other Departments". Specifically, it was the "ministerial statements, internal policy guidelines and policy papers" which amounted to the

"policy positions and directions" of various departments that DURD wanted. The letter implied a reciprocal provision of information with the virtue of assisting the principals to,

understand each other's thinking and ensure coherent and compatible development of an urban and regional strategy that takes full account of the issues of housing and construction.

Lansdown added:

I am sure you will appreciate that it is only through co-ordinating Australian government activities in this co-operative spirit that we will be able to achieve the urban and regional development goals set by the government.

Although the letter was conciliatory and reasonable in tone there was no doubt that Lansdown placed housing and construction policy within the context of URD policy. The first was to be developed with deference to the other. Reiher's view was the different one of forming housing and construction policy while giving due regard to URD policy positions. On that view DURD was an adviser not a policy overlord.

Uren and Johnson had their long-awaited meeting on Tuesday 19 June. It was something of an anti-climax given the build-up of conflict which preceded it and was described by Lansdown as "amiable and characterised by expressions of goodwill"⁹⁷. The outcome was that DHC was to prepare a paper on its role and objectives, to be discussed by officials of both departments, with any lingering problems to be brought to the attention of both Ministers for joint resolution. Any differences persisting between the two ministers would be resolved by the arbitration of the PM. It was a procedure

which must have had the PM's blessing given his projected role. The initial emphasis was still on the officials who would be loth to have to report failure frequently to their ministers. It was the kind of solution which indicates how little many ministers, including prime ministers, understand of bureaucratic behaviour and to what extent they will allow a problem capable only of political solution to create havoc at the official level.

The apparent level of agreement between ministers preceded a temporary lull in the conflict at the official level. None of the problems had disappeared: they were put aside for the time being. In commenting that there "seems to be a happier situation with the two Ministers" by late July, Lansdown identified the persisting specific problems as Glebe, Woolloomooloo and Waterloo, adding that,

(i)n each case we have opened the door to Housing and Construction and we have now to see what sort of contribution they make⁹⁸.

This was a reference to an offer from Lansdown to Reiher following the ministers' meeting to involve DHC more fully in those projects, though with no shift of overall control away from DURD. Given that the basis of the differences was competing jurisdictions it was not likely that Reiher would have been happy with that. Ever since official communications had reopened on the taboo matters, following the ministers' meeting, discussions between the two permanent heads had been more specific and correspondingly less optimistic about satisfactory solutions. If the ministers would not resolve the problems in the first instance, it was up to the permanent heads.

Reiher had certainly adopted the attitude that there was no point in having lower officials discussing the problems "until the Permanent Heads have sorted themselves out"⁹⁹.

Friction between DURD and DHC moved to a greater intensity with DHC's initiative in mid-1974 to create what was eventually established as the Australian Housing Corporation (AHC). Cabinet approved Johnson's scheme to legislate for a corporation to administer the existing Defence Service Homes Scheme and "to act as a lending authority for specified categories of home seekers within the Commonwealth's constitutional authority"¹⁰⁰. In Cabinet, Uren and the Treasurer had strongly resisted Johnson's proposal. On advice from his department, Uren argued that the proposed AHC would cause interference with State housing commissions, land commissions, DURD, DSP, the NCDC and growth centre development corporations¹⁰¹. The Treasurer objected to the AHC's pretensions as a lending authority "and therefore a transgressor of conventional commonwealth practice which opposed the extension of banking facilities"¹⁰². Apparently, Whitlam championed the creation of the AHC¹⁰³ and so Johnson's proposal succeeded with compromise arrangements to deal with the objections from DURD and the Treasury. Under the terms of Cabinet Decision No. 2526 Johnson was to discuss details of the AHC proposal with Uren so as to avoid serious difficulties with the legislation.

It was a far from satisfactory outcome for DURD which would have to face the prospect of a powerful statutory authority, responsible to the Minister for Housing and Construction, with legislative power to be involved in an area vital to DURD's interest. Uren and DURD were truly concerned at the latest

development and began moves to have a thorough analysis of housing policy undertaken by the Priorities Review Staff (PRS). If the PM could be convinced to order such a review, the creation of the AHC would perhaps be postponed pending the report from the PRS. At about this time, Uren returned to his claim that the policy elements of DHC should be amalgamated with DURD¹⁰⁴. The challenge from Johnson and DHC had become the most serious facing Uren's and DURD's attempts to develop urban and regional development policy.

Officials from both departments gathered to discuss outstanding matters on 30 September 1974¹⁰⁵. The major issues were the AHC proposal and the proposed PRS review of housing policy. DURD complained that draft legislation for the AHC was being prepared by the Attorney-General's Department without the terms of the legislation brief having been discussed first between Uren and Johnson as ordered by Cabinet Decision No. 2526. On being told that Uren had been out of the country at the relevant time, Keating requested that the terms of the brief be disclosed to DURD, a request that was referred back to Reiher and eventually resulted in receipt by DURD of a copy of the draft bill if not the actual drafting brief. On the matter of the PRS review, DHC had decided to take the position that it did not oppose its taking place and would be active in its proceedings with evidence and policy arguments. This cooperative approach contrasted with the attitude Johnson seemed to take in a press release on the issue, which DHC explained in terms of the belief that a newspaper article which favoured DURD's position against that of DHC was written within DURD. The allegation was denied by DURD representatives.

In the months following, DURD officials did all they could to object to the establishment of the AHC, from challenging many sections of the draft bill to representing a contrary view at SIDCURD and other IDC meetings. The consistent argument was that the AHC should not be established until the PRS had done a wide-ranging review. Troy met with Mr John Menadue, permanent head of DPMC, on 6 January 1975 and was told that the PM was "more than a little irritated" by DURD's "unnecessary obstruction" in efforts to establish the AHC¹⁰⁶. Menadue added that "people" were becoming "increasingly irritated by what they regarded as DURD's unnecessary involvement in a number of areas including housing"¹⁰⁷. It was obvious that DURD did not have unlimited support for its position vis a vis those of competing policy departments. DURD's efforts against the AHC Bill do seem to have contributed to delays in getting it before Parliament. The Bill was not ready before the House of Representatives rose on 5 December but it was introduced in the Senate on 11 December to allow its provisions to be widely discussed before the Lower House resumed sittings. The Bill was subsequently withdrawn from the Senate and was introduced in the House of Representatives on 13 February 1975, with the second reading on 27 February and further debate on 4 March¹⁰⁸.

The decision to have the PRS review housing policy was made by the PM in early January 1975¹⁰⁹. Almost immediately, DURD was made aware of DHC's plan to publish a Green Paper on housing. A draft had been underway since late 1974 as a rival policy statement to sections of DURD's Strategy paper and to anything the PRS might produce. Following encouragement from Mendelsohn in January, DURD had sought a copy of the draft which had almost been completed¹¹⁰.

When nothing was forthcoming at the official level Uren requested from Johnson a copy of the draft, but an acknowledgement of his letter was all he received¹¹¹. The next DURD heard of the draft was when DHC submitted on 20 February an item for discussion at the next SIDCURD meeting, set for 7 April¹¹². The accompanying information statement read in part as follows:

The Green Paper traverses theoretical problems of policy, deals with the current housing situation and lays down broad outlines for future housing policy. It begins with a statistical description of the housing scene and goes on to discuss the aims of Australian housing policy; the Housing Agreement; finance; fiscal policy; a special section on rental housing; bad housing; land for housing; and perhaps some other issues.

DURD's interest in seeing a copy of the draft was heightened not only by the wide range of matters covered but especially by DHC's concept, noted in the information statement, that DURD's involvement in the Green Paper would be limited to a contribution to the Land for Housing section only. DURD could and did argue that a Green Paper was a statement of Government thinking and not necessarily the monopoly of any single minister and department. Since housing policy was to be framed by urban and regional development policy, at least that was DURD's understanding, it was expected within DURD that the Green Paper would be shaped accordingly. DURD thus considered that it had the right to a major say in the paper's final form.

The extent of DHC's effort to establish control of housing policy was revealed soon after. In his Second Reading speech to the AHC Bill on 27 February, Johnson referred to the various ongoing reviews in the housing area¹¹³. Apart from the PRS review and the

Green Paper, the Australian Council of Social Service (ACOSS) and its associated organisation, Shelter, had been granted \$50,000 "to undertake a grass-roots examination of housing policy as it affects the people at large"¹¹⁴. A plenary housing conference was planned for some time in the final third of 1975 to be organised jointly by the Australian Institute of Urban Studies and DHC:

The AIUS will appoint a task force to review the results of the grass-roots discussions, and hopefully to present to the public and the Government recommendations distilled from these discussions. This way we will get an amalgam of what I might call the gut feelings of the people and the views of the experts¹¹⁵.

These initiatives from DHC were all designed to put it in the forefront of control of housing policy and to be seen as such by the public and particularly by the Cabinet. They were all undertaken without the prior knowledge or involvement of DURD.

A copy of the draft had still not been sent to DURD when a report appeared in the Canberra Times of 25 March of Johnson's intention to table the Green Paper in the House of Representatives in April. The report prompted DURD to prepare another letter for Uren to Johnson requesting that DURD "have the opportunity of commenting on the proposed Green Paper before it is tabled"¹¹⁶. The officer who was to represent DURD on housing matters at the 7 April meeting of SIDCURD was instructed to inform the meeting of DURD's unsuccessful efforts over a period of months to get a copy of the draft. Uren took the matter to the PM and also obtained the support of other ministers against the Green Paper. The wisdom of producing a Government Green Paper with the prospect of a PRS report on the

same area of policy, perhaps at odds in their conclusions, must have looked dubious to some ministers. The PM acted to put a stop to the paper's production and a final draft did not see the light of day. Johnson moved to a position of general intransigence. He refused to make further joint Cabinet submissions with Uren. The administrative arrangements, with their reliance upon cooperative joint responsibility, became unworkable. Johnson was removed soon after from the Housing portfolio¹¹⁷.

CONCLUSION

This detailed analysis of the relationship between DURD and its major policy opponent up to the middle of 1975 reveals much about its jurisdiction, in particular its coordination capacity. In Self's terms, DURD achieved no resource coordination capacity whatsoever. There was no National Urban Budget as a planning document (box 6); Uren had no resource arbitration power (box 5); and the lack of the Budget meant DURD had no financial control function (box 4). On the policy coordination side, Johnson had denied that Uren was a positive coordinator with power over housing policy and the only National Urban Strategy which had appeared, a hastily produced interim document for the May 1974 election, was rejected by Johnson and DHC as being without significance for housing policy (box 3). Uren had no arbitral role in the housing field and DHC was not even a member of SIDCURD (box 2). DHC and DURD had common membership of only a small number of IDCs and in general the IDC was not a favoured forum for negotiation between the two (box 1). DURD had no coordinating powers over DHC at all, including the negative coordination capacity usually associated with IDCs.

What this means is that the relationship between DURD and DHC was not about the procedural value of coordination, no matter how hard DURD pushed that interpretation at the departmental level and through Uren in Cabinet. It was about competing policy jurisdictions. As far as DHC was concerned (and most if not all other departments shared its view) DURD had no coordinating role over policy or resources.

DURD was shown to have no effective 'levers' for controlling DHC. It relied upon Uren, yet his effectiveness was limited with Whitlam giving a lot of support to Johnson until early in 1975 for his housing initiatives which were giving quick returns to the Government in terms of electorally useful achievements. While DURD had projects involving housing and construction it did not have a coherent housing policy nor even housing programs in the sense that DHC did. DHC had a housing policy which it implemented through programs. It had widespread activities in the housing field. Apart from its projects to fly its flag, such as the Glebe and Emerald Hill projects, DURD spent more time and effort seeking to frustrate DHC's housing initiatives than it did in trying to develop a housing policy. By clinging to the notion of the primacy of urban and regional development policy and acting in the spirit of that belief DURD was contributing to major jurisdictional problems. The result was that the program output of both DURD and DHC suffered. As we discussed in Chapter One that kind of result will flow from prolonged jurisdictional conflict.

As with the DURD/DOT relationship, Whitlam, on perceiving

jurisdictional difficulties between Uren and Johnson, adopted his 'joint' solution whereby both Ministers are told they have authority and are left to sort out between themselves how the policy cake is cut. Whitlam seemed to think that interministerial difficulties had to do essentially with the personalities of his ministers. All he had to do was put the right people into portfolios and the problems would vanish. He seems to have had no idea of the strength and influence of departmental officials or of the value of formal structural amendments to increase the legitimacy of some jurisdictional claims while decreasing that of others.

The high level of administrative politics obvious in this relationship was the legitimate accompaniment of attempts by both departments to structure relationships so as to promote their own policy activities and block those of the jurisdictional competitor. This pattern of interdepartmental activity was common to all of DURD's relationships. By the time of the May 1974 elections DURD officials knew that their coordination scheme was failing on all fronts. They were driven increasingly to rely upon IDCs to make headway and, as the next chapter demonstrates, the going was tough.

D. SEEKING JURISDICTIONAL CONTROL

CHAPTER FIVE

INTERDEPARTMENTAL COMMITTEES:

ATTEMPTING NEGATIVE COORDINATION

With the loss of many months through the top structure dispute (examined in Chapter three), DURD did not have even in late 1973 a staff of the numbers and with the skills required to develop the urban budget and strategy. Preliminary work had been proceeding but it was far too early to think of the Urban and Regional Development Budget as a way for DURD to coordinate the spending of others. The Minister had suffered setbacks in Cabinet, particularly over transport and his efforts on his department's behalf at the ALP's 1973 Surfers Paradise Conference were turned aside. DURD was forced more and more to rely upon the normal departmental methods in pursuit of its coordinating role. There were two main methods: bilateral discussions by telephone, letter or in person with officers of other departments and authorities, formal if recorded for file; and interdepartmental committees (IDCs), where formal interaction between two or more agencies was sought at a level not satisfied by telephone calls, letters or the occasional meeting. An IDC has been described as a committee with two further characteristics: first it is formally established and operated, with its proceedings recorded on file; secondly, its membership is drawn from more than one government organisation¹.

Our look at DURD's major bilateral relationships reveals the importance of the IDC to situations of jurisdictional ambiguity. An IDC was reached for immediately as the solution at the departmental level to the difficulties over urban transport policy. Most of the differences of opinion about property matters were expressed on various IDCs. Even in the relationship between DHC and DURD, which was conducted mainly outside of formal committees, IDCs were important in that DHC attempted in vain to gain membership of SIDCOURD and Lansdown proposed the establishment of an IDC with only DURD and DHC as members as a formal mechanism to address jurisdictional difficulties. Most of DURD's confrontations with Treasury, apart from dealings on forward estimates (FE) and medium term assessment (MTA), were not so much in bilateral aspects of their relationship as in their encounters on numerous IDCs, where Treasury had membership by virtue of its responsibility for financial expenditure matters which were a central concern of most important IDCs. The IDC was the arena in which interdepartmental conflict was most evident. This chapter considers DURD's experience on IDCs

A critique of the operation of IDCs in Australian government has been developed². In brief, the critique is that members of an IDC act as delegates of their departments seeing the protection of their own departmental interests, jurisdiction, procedures and policy as the first priority; that it is the norm on an IDC to pursue a consensus outcome; and that consequently, the outcome of an IDC, usually a report,

represents the unanimous view of members, avoiding or papering-over difficult issues and amounting to a lowest-common-denominator result, often useless to Ministers as advice on policy. An IDC is not the forum a department should choose for attempting to change the competing views of other departments. As early as 13 February 1973 the IDC on Joint Transport Studies (JTS) was created jointly chaired by DURD and DOT. The PM established the Standing IDC on Urban and Regional Development (SIDCURD) in March and over a few months beginning in November 1973 SIDCURD had four working party offspring: on Regional Activities (WPRA), on the Area Improvement Program (WRAIP), on a Site for an Australian Government Office Location (WPOL), and on Compensation for Land Acquired or Adversely Affected by Works or Use by Public Authorities (WPOC), the last chaired by DSP. In 1974 the following IDCs were established: the IDC on Brisbane Flood Mitigation; the IDC on Overlap in Australian Government Grants to Local Bodies; the Working Group on Special Financial Assistance to Firms in Non-Metropolitan Areas Affected by Structural Change (SANMA), an offspring of two parent IDCs, (SIDCURD and the Standing IDC on Assistance to Industries chaired by DPMC), and jointly chaired by DURD and DPMC; the IDC on Land Use Near Airports; and the IDC on Red Cliff. The Moreton Regional Team (discussed in the next chapter) was an IDC set up by an ad hoc committee of Ministers in February 1975. All of these committees, except where otherwise indicated, were chaired by DURD³.

DURD was also a member of many other IDCs. Some of the

most important of these from a DURD policy point of view were the IDC on Urban Transport and the Standing Committee of Advisers (to the ATAC)⁴, both chaired by DOT; the Standing Committee on Location of Australian Assistance Subsequent to Structural Changes in Industry; ACT Housing; Location of Australian Government Employment; World Population Year; Environment Impact Statement Procedures; and Motor Vehicle Emission Standards. Its attempts to use the IDC mechanism for its own ends were not extensive and were somewhat ad hoc responses to immediate needs. This state of affairs existed partly because the Department was less than a year old and still had a small staff with too much to do, but it was also due to the approach of using an IDC only when unavoidable instead of as a forum for gaining and keeping the initiative in matters of URD policy. Less than a year later, DURD chaired seven and was a member of a further 36 IDCs⁷.

SIDCURD

DURD's major IDC effort in 1973 was with its own SIDCURD. Both Lansdown and Butler were disappointed at the contributions made by other members, in terms of both quantity and quality⁸. Most agenda items came from DURD and NURDA (Cities Commission), with a very small number from DOT, DOE and DPMC, and none at all from the Treasury⁹. SIDCURD was treated as a forum for other departments and authorities to discover what DURD was doing, with DURD getting little in return. The lack of effort by members and observers was seen, correctly, as

an unwillingness to accept DURD's coordinating role:

The proper functioning of the committee requires recognition by all member departments (and for that matter by other Departments and agencies) of its central co-ordinating role in all matters bearing on urban and regional development even if they arise outside the direct activities of this Ministry¹⁰.

When NURDA was established by the McMahon government in late 1972 an Urban and Regional Development IDC had been set up, with the permanent heads of NURDA, DPMC, the Treasury and the Department of Trade and Industry (the Deputy Prime Minister's department) as members. It had only one meeting, in November, with another scheduled for 7 December, but not held because of the change of government¹¹. The Whitlam government decided to continue with that committee although some changes to allow for the altered structure of the Ministry were necessary. Whitlam announced the formation of a new Standing IDC on Urban and Regional Development in early 1973.

SIDCURD was officially created by a letter of 16 March 1973 from the Prime Minister to all Ministers, although the proposal for the committee came from within DURD as did the draft of the Prime Minister's letter. There is no doubt that SIDCURD was intended as an important part of DURD's coordinating arrangements, but from the start it was not to be the most important part. The Minister operating in Cabinet and the Cabinet URD Committee formed the most important element in DURD's coordination scheme. When developed, the urban and regional budget with its associated strategy was to exert a

control over government spending on human settlement. Its potential for imposing DURD's design on the activities of other departments and authorities was viewed by DURD's creators as a fundamental coordination device. SIDCURD was to be "the focal point of the interdepartmental consultative process" for proposals by all departments, with urban and regional development implications¹². It was to be a device for officials to use to sort out problems without involving ministers:

It is not anticipated that the Committee will in the normal course of events be reporting to Ministers. Rather it is a form of consultative machinery designed to smooth the way for Cabinet and the Urban and Regional Development Committee in implementing our new policy initiatives in this area¹³.

SIDCURD was not established as any kind of super committee with a Cabinet-given mandate to review all Cabinet submissions with urban and regional development implications before they could proceed to the URD Cabinet Committee and ultimately to Cabinet. It was to be an IDC in which

responsibility for consulting the committee must ultimately rest with departments (including those having permanent membership of it) in which the particular subject matter arises¹⁴.

It was presented as a "considerable help to departments"¹⁵. The emphasis was on cooperation, a softly-softly approach indicating that SIDCURD could never be more than a forum for gentle persuasion. Its tasks "in respect of matters with significant urban and regional development implications" were

to:

- (1) provide a point for consultation by departments prior to the development of policy advice to Ministers;
- (2) ensure that all relevant considerations including particularly the relationship between any proposals and our urban and regional objectives, are taken into account during the preparation of policy advice to Ministers; and
- (3) facilitate the co-ordination of views and action at departmental level¹⁶.

The committee was intended as an administrative convenience, to provide a formal mechanism, whereby departmental representatives could co-operatively explore the interrelationships between proposals and urban and regional development policy. There is nothing in the PM's letter to give DURD a more significant role than that of chairing a standing IDC of "senior officers" from DURD, DOT, DEC, Treasury and DPMC, not to give SIDCURD a more significant role than that of an arena for a particular kind of discussion to "facilitate the co-ordination of views and action at department level". If the letter's drafter intended a more significant role for SIDCURD, the intention is not expressed.

It is likely that in early 1973, before DURD had been rebuffed by the PSB on its claim for levels 2, 4 and 6 in its top structure and while it dreamt of an urban and regional budget to give it expenditure control, Uren and his advisers meant SIDCURD to be a high level arena for DURD to help departments shape their proposals in line with Cabinet endorsed urban and regional development policy. It would also be an

intelligence post for giving and receiving relevant information. It may have been intended to "coordinate" through administrative co-operation: "coordination" by control would occur elsewhere and through other devices. Indeed, in DURD's First Annual Report, in a small section on SIDCURD, it is stated:

Co-operation between Australian Government departments is commonly facilitated by Inter-Departmental Committees (IDCs)¹⁷. (Emphasis added.)

This Report was forwarded to Uren from Lansdown on 26 October, by which date SIDCURD had met only six times and had hosted no major dispute¹⁸. With the Treasury and DPMC as permanent members any kind of control role for DURD would not have been possible. Also when membership was being discussed prior to the PM's letter, DURD suggested that other departments and authorities have membership, particularly DSS and DSI, a suggestion which indicated openness, cooperation and the conflict-free role intended for SIDCURD¹⁹.

In early 1973 when Lansdown was exploring the possibilities for an IDC his notion was for it to be a committee of permanent heads who could in an atmosphere of reasonableness sort out any difficulties. It would be a more formal version of a regular permanent heads' lunch gathering or a meeting for drinks after 5 pm. This, too, is an indication that SIDCURD was not originally intended as a forum for tough, detailed argument resulting in compromise reports. Permanent Heads do not have

time for, nor usually the interest in, such activity. Second division and upper third division officers usually have that role. Some Permanent Heads did attend SIDCURD and Lansdown, in line with his intention for the committee, always personally chaired meetings. There were seventeen meetings held to April 1975. Of the membership, the Permanent Head of DOT attended seven times, the Chairman of the PSB twice, the Permanent Head of DOE once, while the Permanent Heads of the Treasury and DPMC never attended. Of the observers, the Chairman of NURDA (Cities Commission) attended seven times and the Permanent Head of DSP twice²⁰.

There seems little doubt that, as originally conceived, SIDCURD was not to be a central arena for DURD to fight battles associated with its grand policy design. That it became one was a result of the failure of other aspects of the grand scheme.

An increased and better planned use of the IDC had begun with Mr W. (Bill) Butler's arrival from the PSB. It was to be used strategically as a mechanism to help DURD function as a coordinator. The primary method of interdepartmental interaction would remain the "detailed discussions between action officers" of DURD and officers of other agencies²¹. But whenever something more was needed DURD would take the initiative, where it felt it had primary responsibility, by establishing a committee.

SIDCURD would remain the heart of DURD's IDC scheme. It was a committee created by the PM for 'senior officers'. It had potential. Butler stated the central notion in his scheme:

... any new committee chaired by this Department and formed at less than Permanent Head level ought to function as a Sub-Committee or Working Party of the Standing IDC. In some cases, other factors may dictate that this be not the case but I am confident that effective co-ordination will occur only if such cases remain the exception²².

Invitations to SIDCURD meetings were always to be addressed to Permanent Heads so that their attendance remained possible and so that SIDCURD would be thought of as a committee for Permanent Heads which was still to realise its intended mode. Agenda items which invited open-ended discussion of general policy were to be introduced to supplement the items of a more specific kind which had dominated the committee's work to that time. More resources would be devoted to making SIDCURD operate efficiently. It had not been enough for DURD to insist that SIDCURD was important and deserved to be treated as such by members and others: SIDCURD had to have the image of being important and worthy of being taken very seriously. All was done to develop SIDCURD "as the focus for the Department's co-ordinating efforts at the federal level"²³.

The major disputes on SIDCURD and its working parties were about policy and policy jurisdiction, about whose Minister had authority to say or do what about what. Issues associated with land tenure²⁴, office local²⁵, assistance to industries

in non-metropolitan areas²⁶, location of government employment²⁷, urban transport²⁸, and housing and construction²⁹, and regionalism, were all important at various times in SIDCURD's proceedings but tended to be pursued on other IDCs with more specific tasks. The reason for this was that SIDCURD

was not a policy-recommending body, except in special cases where particular references were made by ministers or cabinet. In these cases SIDCURD set up single-purpose working groups³⁰.

Regionalism was a very important issue to DURD and the various IDCs associated with it are given special study in this chapter and the next. Those IDCs are: two of SIDCURD's Working Parties, on Regional Activities and on the Area Improvement Program; the IDC on Overlap in Australian Government Grants to Local Bodies; and the Moreton Regional Team and its three working committees.

At SIDCURD's first meeting after the 1973-74 Budget, on 21 November, DURD introduced its detailed proposals for AIP spending. The IDC established two working parties, one to explore the relationship between specific spending projects under the AIP and other regional programs, with the aim of avoiding overlap, the other to examine comprehensively the regional activities of all levels of government and recommend administrative arrangements to co-ordinate those activities. The operation of these two Working Parties is now examined,

followed by an exploration of DURD's relationship with the Department of Services and Property (DSP) which was played out substantially on IDCs.

Working Party on Regional Activities

Throughout 1973 DURD had experienced bilateral difficulties with some of the departments and authorities which had their own nation-wide regional networks. DURD's notion was for all administrative organs of all three levels of government to use the same set of regional boundaries and the same regional centres. The favoured boundaries and centres were those devised by DURD and used by the Australian Grants Commission.

Mr. W.P. Butler, head of DURD's Co-ordination Division, acting through his permanent head and minister, arranged for the PM to send a letter to all ministers asking for co-operation with DURD's efforts to impose order on the regional activities of the three levels of government, but particularly of the federal level ³¹. The extent of what DURD envisaged can be gauged from the second paragraph of the PM's letter:

I am particularly concerned to ensure that these programs reinforce each other, to achieve our goal of balancing the functions and finances of the Australian Government, States, regional and local authorities to ensure that resources are adequately developed and services adequately provided. We should, I believe, aim at having an appropriate Australia-wide grouping of regions and centres which all programs should be expected to adopt unless there are strong reasons for not doing so. We should also ensure maximum efficiency in the use of human and physical resources required for any local presence of the Australian Government. Furthermore, some co-ordination of mechanisms for consultation with local representatives is desirable.

The letter mentioned the "problems of overlap and possible confusion" associated with "unco-ordinated" initiatives by departments and authorities and asked all ministers to arrange for their departments and associated authorities "to prepare as a matter of urgency suitable papers concerning regional and local involvement actually achieved or in prospect" to be sent to DURD as the chairing department of SIDCURD (emphasis added)³¹. With the letter as authority DURD arranged for SIDCURD to establish the Working Party on Regional Activities (WPRA) as an ad hoc sub-committee of itself at its 21 November 1973 meeting³².

The WPRA's terms of reference required it to report to SIDCURD in a comprehensive way on the regional activities of all levels of government and to propose recommendations for implementing the federal government's regional policy³³. At its first meeting, on 6 December, Butler, in the chair, suggested that there be two stages to the WP's work, the first to gather information for a comprehensive picture of the regional activities of all government authorities, and the

second to report and make recommendations on ways to co-ordinate the regional programs of all Australian government departments and authorities and on administrative processes to co-ordinate the regional activities of all three levels of government.³⁴ The first, being an information-gathering task, was readily accepted by members, with a division of labour arranged: the PSB would research the regional arrangements of all Australian government finances disbursed regionally; and DURD would gather information on the regional organisations used by State and local government, as well as identifying which possible sites for regional administrative centres were most likely to be approved of by State and local levels. The second task, associated as it was with trying to get other departments and authorities, as well as State governments, to do essentially what DURD wanted them to do, was recognised as being far more difficult and was put aside to be attempted later. Discussion at the first meeting dealt mainly with the objections from the representatives of most departments to the idea of using regions thought suitable for Grants Commission and AIP purposes as the basis for their own regional activities. In particular, DOL, DSS, DOT and the APO already had extensive administrative structures which suited their purposes. They had no wish to change.

The work of the WPRA took the form of writing a report on its first task for SIDCURD. A letter was sent on 10 December to all departments thought likely to be interested in the WP's work, inviting them to a plenary meeting on 18 December at which the activities and needs of the WP were explained. As well as members, about half of those canvassed attended, including A/G's, DACT, DOD, DOE, DOS, DOSMOS, Supply, DTR and DHC, the

last-mentioned being added to the WPRA's membership, along with the ABS. Many other departments did not send representatives, presumably judging the issues as not touching sufficiently on their interests.

In the event the WPRA did not operate as a team, all of the work being done by a study group within DURD, with help from the PSB. No information on the regional disbursement of Australian government financial outlays appeared in the WPRA's report even though the Treasury's representatives had undertaken to provide what was necessary, a fact commented upon within DURD:

Treasury was to put together some financial information but appear to be traditionally unhelpful³⁵.

The main sources for the report were responses from departments and authorities to three documents, the PM's letter to ministers of 14 November, a questionnaire sent out by the PSB and DURD's Report on Interim Regions for Grants Commission Purposes.³⁶ Responses were not readily forthcoming and had to be actively sought by DURD

Although it was hoped that this Working Party would report in February the difficult process of extracting information from Departments and agencies is beginning to make this look rather ambitious³⁷.

In addition to the major sources, Uren had written on 28 December to all ministers for relevant information about statutory authorities under their control³⁸. The DURD hope

for a WPRA report by February was indeed ambitious: a draft report was ready for the 18 April meeting of the WPRA and the final report was completed in October.

Recommendations from the WPRA to SIDCURD for changes in the regional structures of particular agencies which had not been closely consulted, would not be received well by those agencies. To try to minimise those difficulties the draft report was used as the basis of bilateral discussions covering almost six months between DURD and all of the departments and authorities with existing or proposed regional administrative structures. The final draft of the report was circulated for comment in September and October 1974. The APO, CBR and DHC (Works Sector-General Works Division) succeeded in convincing the WPRA that they were exceptional cases and should not be required to adhere to the common regional boundaries, although the APO "should move in the long term to adoption of the common regions or derivatives of them whenever this would be economically and operationally sound³⁹". The only substantive amendments to the report were to ensure that DURD consulted with other departments and authorities before doing work vital to decisions on the location of regional centres⁴⁰. The main recommendations of the report were that all departments and authorities with a regional administrative structure and not listed as exceptions should adopt the common regions or derivatives of them and that any Australian government or authority wishing in the future to regionalise its activities should adopt the common regions or derivatives of them "unless there are strong reasons for not doing so"⁴¹.

By the time the WPRA had completed its report events had passed it by with reference to its second task. The efforts to coordinate programs of the Australian Government in the regions had been taken by the IDC on Overlap in Australian Government Grants to Local Bodies and the IDC on Multi-Purpose Community Centres, the first chaired by DURD, the second by DPMC. As well, DURD had been working for much of 1974 on the preparation of a regional policy paper designed to bring Cabinet's approval of a comprehensive control role for DURD in regional matters. A copy of the report was sent to the PM by Uren on 22 January 1975 with an accompanying letter outlining DURD's plan to use the other IDCs and the policy paper to achieve "more effective co-ordination and integration of regional activities"⁴². The WPRA was in effect disbanded.

Working Party on the Area Improvement Program:

At the same time as the WPRA was established the Working Party on the Area Improvement Program was also set up by SIDCURD

to bring about improved co-ordination between Area Improvement Programmes and the activities of other Departments and agencies operating in the same areas⁴³.

The specific task of the WPAIP was to identify any programs of Australian Government departments and agencies intended to operate in areas in which the AIP was providing funds or would be and to consider how the various programs might be coordinated. Already the issue of overlap in the program spending of various departments and other agencies had arisen.

DURD wished to have its own programs, principally the AIP, but it also wished to coordinate the regional programs of others in line with its responsibility for "the general urban and regional objectives of the Australian Government"⁴⁴.

This WP had a similar membership to the WPRA. Once again the 'information-gathering part of the WP's task did not present major difficulties but any discussion of possible coordination arrangements disclosed the vastly different perspectives of DURD and the Treasury. In its written comments on the section of the Forward Estimates documents which referred to the AIP, the Treasury expressed unease that the AIP was intended to have a reservoir of funds from a general appropriation instead of the more usual specific appropriations individually approved by the Treasury⁴⁵. DURD's argument was that having the funds available at any given time meant that urgent needs could be attended to expeditiously and gaps, which were left when particular claims could not be met under the regional programs of others, could be quickly filled by the AIP with its flexible funding. These were arrangements not guaranteed to impress a Treasury which was conservative and old-fashioned in what it thought appropriate program funding arrangements. To Treasury the general funding approach created 'slush-funds' which were not open to the desired level of control to ensure that spending was for proper purposes and was spent properly. General funds shifted pre-spending control from the Treasury to the departments. Ensuring propriety then became a matter for the Auditor-General and the Public Accounts Committee and, according to Treasury thinking, it was a bit late then to do much about unwise and uncontrolled spending by a department or authority.

The Treasury could and did justify its detailed control role as protecting the government and taxpayers from a kind of enemy within, a gullible spendthrift minister and department let loose to throw away public money.

Of course, Treasury's control, down to matters of administrative detail within the day-to-day operations of departments and to the level of projects in the delivery of program funds to the community, also provided the Treasury with a coordinating capacity. Department A could be told that funds for a particular matter were better provided by a certain program operated by Department B, or even that the purpose for which Department A sought funds was not within its proper functional consideration. To the Treasury, DURD's AIP and the SWC's AAP challenged its capacity to control both the amount to be spent and the efficiency of the spending. It was not just a challenge to the Treasury as an organisation but to its organisational view of the proper control of government spending.

These were the issues that would have arisen on the WPRA had it undertaken its proposed second task. They did arise frequently on SIDCURD and on the Overlap IDC. They would have arisen also on the WPAIP had they been allowed. As part of its task the WPAIP had examined the various projects to which DURD had allocated funds from the 1973-74 Budget. This was completed by March 1974⁴⁶. DURD then attempted to bring before the WP a paper containing thoughts on an ambitious expansion of the AIP to give DURD an important role as a regional coordinator of all government programs. The paper, which had been completed within

DURD in January, proposed that the name of the AIP be changed to Integrated Regional Activities Program (IRAP) and that

it should adopt a more positive role in 'coordinating specialist programs on a regional basis'. For each region there should be a regional program administered by a 'regional team' composed of an officer from each department involved in expenditure in the region. The regional team would 'reconcile programs and policies' from each department with DURD in the chair. There would be a central coordinating committee set up under the studies, and on the basis of these studies and discussions within regional teams, to recommend allocating additional funds to programs administered by other departments, if the priorities determined on a regional basis called for more expenditure on a particular service. Opportunities would be given to local organisations to participate in this process of regional policy making⁴⁷.

The AIP was to be elevated from spending program to coordinating program. This was the second part of the Butler strategy, the first being the upgraded role of SIDCURD. When DURD announced at the 14 March meeting of SIDCURD that the paper would be the basis of a Cabinet submission, agreement was reached that it would come before SIDCURD. When eventually this happened the paper was savaged. The WPAIP, its work completed since it was not to consider the IRAP paper, was disbanded⁴⁸,

Efforts of the WPAIP to bring about 'coordination' between the AIP and the regional programs of other agencies were not very successful. Cabinet established an IDC only three months after the WP was disbanded to examine more generally the continuing problems associated with overlapping spending programs operated by various departments and authorities, including DURD's AIP.

IDC on Overlap in Australian Government Grants to Local Bodies:

In the Cabinet meeting of 11 June 1974 several ministers referred to press criticism of the Government for making grants for similar purposes to local organisations under a variety of programs. The criticism was basically that no coherent strategy linked the programs with the result that some organisations were seeking grants under more than one program for the same purpose. An oft-told story in the favourite hotel bars of Canberra public servants during the Whitlam period was of surprised representatives of two departments operating different programs arriving simultaneously to inspect the same site in a State capital which was the subject of proposals for grants from both. If true it represents an unfortunate coincidence for the local body indulging in a little of what came to be known as 'grantsmanship'. Even if not true it was a situation which could easily have occurred and Cabinet agreed there was a "need to avoid overlap". It established an IDC to "examine the problems and report to Ministers on the means of overcoming it"⁴⁹.

There were many areas of potential overlap, some involving the programs of four or more departments⁵⁰. One example was the availability of programs for a local organisation to seek capital or current grant funding for community buildings: DURD's AIP catered for the "acquisition of land and buildings, or assistance in the building of cultural and other community buildings such as community halls"; ad hoc grants were available from DTR's Capital Assistance for Leisure Facilities Program for "community meeting rooms,

halls...; DSS was responsible for the Social Welfare Commission's Australian Assistance Plan under which funding was available for "provision of community facilities" and for "youth clubs or 'drop-in centres"; the Regional Employment Development Scheme (REDS) of DLI offered funds for "extension or development of cultural social and recreational facilities and service ...". The four departments in this case were DURD, DTR, DSS and DLI: in other instances DED, DPMC, DOH, DOT and DOSMOS were also involved in overlap situations.

The most obvious areas of overlap, those in which problems had already risen, involved the programs of DURD, DSS, DED, DTR and DOH. These departments, with DURD in the chair, were appointed by Cabinet as members of the IDC on Overlap in Australian Government Grants to Local Bodies. Neither the Treasury nor DPMC was given membership, surprising since the Treasury could claim a significant interest in program funding and DPMC as a central authority could have acted as a neutral whose point of view may have been influential⁵³. At this point DURD had control, chairing an IDC to produce recommendations for Cabinet on how to coordinate program funding to regions. This was a step towards the role it had long claimed was given it by the Government and which it regarded as having been frustrated by the efforts of other departments, particularly the Treasury, DURD immediately sought to take advantage of its freedom from the Treasury's influence.

By Cabinet Decision No. 1007 of 1973, DURD's AIPs for the western regions of Sydney and Melbourne had been approved in

principle. A draft Cabinet submission had been prepared in DURD with details of proposed spending in those regions and related draft legislation. DURD took the opportunity presented and amended the draft to include the following:

Cabinet Decision 2205 recognises the need for co-ordination of Australian Government Grants to local organisations and an interdepartmental committee, chaired by my Department, has been set up to report on means of achieving it. In this Submission I am seeking the authorisation of the Cabinet for my Department to act as the co-ordinating body for Australian Government programs in Area Improvement Program regions to ensure that overlap is eliminated and that the particular needs of these selected regions will be given special attention where discretion exists in Australian Government activities and programs. This will then assist in matters of concern which led to the establishment of that committee.

Recommendation (c) along the same lines was also added to the draft. Here was an attempt by DURD to use its position in the Overlap IDC as a stepping stone to full Cabinet backing for its efforts to take control of domestic program spending, using the DURD-derived AIP regions. Success for Uren and DURD in this move would have been a defeat for the Treasury's efforts to retain sole control of expenditure proposals.

Uren approved the amended draft and had a copy of it sent to the PM on 24 June 1974 as Cabinet Submission No. 1049 for earliest possible inclusion on Cabinet's agenda. Copies of it were sent by the Cabinet office to ministers in the usual way to allow examination before the matter were to be raised in Cabinet. Some of the departments appointed to the Overlap IDC had immediate private objections to the submission, in

particular to its Recommendation (c). They felt their interest would be threatened if Cabinet approved it. DTR feared that as a department it would be "defined out of existence"; DED was certain its priorities would suffer if subject to DURD's; and DSS thought the Regional Councils for Social Development, the regional organisations vital to the distribution of funds under the SWC's AAP, would be adversely affected⁵². The PM deferred consideration of CS 1049 and other DURD Cabinet submissions involving program funding until Budget Cabinet were to meet in mid-August⁵³.

To this point DURD had felt it controlled the situation through both its chairmanship of the IDC and the absence from its membership of the Treasury. Intending to wait on Cabinet's consideration of CS 1049, DURD had not convened the IDC. A favourable outcome for DURD would have affected considerably the operation of the IDC since DURD would have been able to invoke the Decision as support for its own approach. Any opposition could have been decimated. The PM's deferral of Cabinet's consideration of CS 1049 was the first blow to DURD's scheme.

The second blow was that the Treasury was added to the membership of the IDC by the PM. On learning that his department had been omitted initially, Sir Frederick Wheeler had contacted Sir John Bunting. He took the line that given the Treasury's obvious interest it must have been an oversight on Cabinet's part to leave the Treasury out and requested therefore that the PM set matters right. Bunting prevailed upon the PM and was successful. The Treasury then set about having CS 1049 referred to the Overlap IDC so that a report could be prepared on it for ministers in time for Budget Cabinet. DURD's hope

continued to be that by not convening the IDC, CS 1049 would go directly to Budget Cabinet. There was a chance under that plan that Uren might carry Cabinet giving DURD the policy control it sought. If that plan proved successful, the Treasury's membership would not have adversely affected DURD's scheme.

With time running out before Budget Cabinet was to meet, the Treasury convinced DPMC to lean heavily on DURD to convene the Overlap IDC in order to produce a report by mid-August⁵⁴. The threat which seems to have been used by the Treasury per DPMC against DURD was that unless the IDC considered and reported on overlap in government grants in time for Cabinet's Budget considerations CS 1049 would not be considered at all by Cabinet in time for funding to be made available for DURD's 1974-5 AIP⁵⁵. Financing of the program was thus in jeopardy. On 31 July DURD informed members that the IDC's first meeting was scheduled for 2 August, only two days notice. Though forced to convene the IDC, DURD, as chairman, would try to protect its position by minimising discussion of CS 1049 which, it could insist, had not been referred to the IDC by Cabinet or the PM.

At this point a third setback destroyed DURD's position. Frank Stewart, Minister for Tourism and Recreation and Minister Assisting the Treasurer, benefitting from the advice of officials from both DTR and the Treasury, had spoken to the PM objecting that Attachment 2 to CS 1049 headed 'Projects to be Supported from Area Improvement Program Funds' included items which appeared to "come within the province of his Department"⁵⁶. This raised the issue of overlap between ministers in funding programs at the regional level and the PM

would have been loth to have it disrupting Budget Cabinet. He wrote to Uren:

....I think that before the Submission is listed, Ministers should have the benefit of advice on your proposals from the interdepartmental committee established by Cabinet Decision No. 2205 ... I would like you to arrange to have the matter referred to the committee for urgent report⁵⁷.

Here was the referral so dreaded by DURD. CS 1049 would be the subject of Treasury scrutiny and open to the attacks of other member departments. Recommendation (c) looked set for annihilation with Attachment 2 also under threat. It was now in DURD's interest to have the IDC produce a report as soon as possible. After failing to convene a meeting since the IDC was established almost two months before, DURD now wanted intense activity in a hurry. The IDC met three times before Budget Cabinet, on 2, 9 and 16 August, and was able to present two interim reports to Cabinet for consideration at meetings on 21 and 23 August.

The central issue to the Treasury was whether funding to regions should be through general or specific purpose grants. Many of the members of the IDC were in the business of making special purpose grants and so it was decided, against the Treasury's objections, that the main task within the terms of reference was to examine overlap among special purpose grant programs, although the overlap between general and specific funding could be considered as a secondary task and would be commented upon in the final report⁵⁸. DURD then tried, through its control over the process of drafting the minutes of meetings, to limit the task of the IDC. The minutes of the

first meeting contained claims that the chairman saw consideration of CS 1049 "as precluding canvassing the concepts of the AIP which had been examined previously by Departments individually and in the SIDCURD ..." and that the chairman saw the need as part of the task of the IDC "to examine the relationship" between the Overlap IDC and SIDCURD and its offshoot, the WPRA⁵⁹. The first of these would have removed the AIP from the IDC's discussions while the second would have allowed DURD to claim that certain difficult issues were already being adequately treated by other IDCs. The Treasury representative objected to both as not having arisen in the discussion. He was backed by the representatives of other departments and the two matters were removed from the minutes. Success for DURD's tactic with the minutes could well have led to a quite superficial report with all difficult issues removed from discussion. Above all, DURD feared that a report to Cabinet containing a full analysis of CS 1049 and its relationship with the spending programs of other departments would be damaging to DURD's case and would give Uren no chance of success in arguing for Recommendation (c). DURD had to try for as innocuous a report as possible.

With the failure to limit the IDC's scope in exploring the AIP and its relationships DURD changed tactic and argued that a comprehensive report could not be readied in time for Budget Cabinet so members should individually prepare briefs on the CS to be taken to Cabinet by their Ministers. These briefs would reflect the IDC's discussion from different points of view. DURD's intention was that these individual accounts would satisfy the requirement to report before CS 1049 could be

listed. DURD had gone from wanting an innocuous report to wanting no report at all, at least not at that time. Its reason was that if individual ministers came to Cabinet armed with a range of viewpoints, some favouring DURD's position, some Treasury's and others between the two, Cabinet would have to choose one of the two opposing positions. In that case Uren still had a reasonable chance of success. If, however, the IDC had to prepare a single report for Cabinet, the likelihood of a typical, lowest-common-denominator IDC report was strong, in which case DURD would be forced to retreat from the position it held. It was thus important to the Treasury strategy that the Cabinet receive a single report representing the consensus view of the IDC membership.

The Treasury countered DURD's proposal with a series of actions. It first prepared a draft interim report, the existence of which it did not immediately disclose to the IDC membership. It then apparently arranged for DTR to suggest that debate on CS 1049 be deferred until more general issues had been considered⁶⁰. If followed, that suggestion would have meant the CS would not have been listed for Budget Cabinet and DURD would have lost its AIP funding. The Treasury proposed that an interim report be produced to satisfy the PM's request, with a final report, containing a wider and deeper coverage of issues, produced later and at leisure. DURD seized upon this Treasury suggestion as a compromise solution, but tried to have Attachment 2 exempted from consideration and recommendation. Both DTR and DSS felt threatened by Attachment 2, claiming it proposed AIP spending on projects and in ways already covered by their own spending programs. They felt it could not be

exempted. DURD replied by threatening to have the Budget submissions of other departments deferred where there seemed to be spending overlap. The other contentious part of the submission, Recommendation (c), stood no chance of surviving the strong objections of the Treasury, DSS and DTR. It was agreed by all members except DURD that if Recommendation (c) were approved by Cabinet the Overlap IDC would be redundant in seeking to determine means of ensuring the avoidance of grant overlap. CS 1049 could only be saved if the IDC interim report recommended that the apparent overlap involved in Attachment 2 be recognised and that Cabinet consideration of Recommendation (c) be deferred. DURD was trapped and had to accept the deferral proposal, but its threat concerning the spending proposals of other departments was taken seriously enough that apparent overlap between items in Attachment 2 and the programs of other departments was mildly "noted". As if to demonstrate its mastery in bureaucratic politics and the degree to which it had manipulated the deliberations of the IDC to that point, the Treasury presented to members the draft interim report it had been keeping in reserve. That draft was adopted as the IDC's interim report. DURD had suffered a complete rout in the interdepartmental arena over Recommendation (c) but was determined that it would not suffer alone.

In explaining the sad plight of CS 1049 to Uren, DURD officials offered him a draft letter to the PM which Uren could use to dissociate himself and his department from the recommendations of the IDC's interim report. It included a statement that Uren intended to propose that all Cabinet submissions which involved grants to local organisations be

deferred until the IDC's final report were submitted. He also suggested that DTR's CS 1154 on a Capital Assistance for Leisure Facilities Program be referred to the IDC for urgent report in the manner in which CS 1049 had been handled⁶¹. Uren used the draft letter with the result that CS 1154 was referred by the PM, even-handed as always, to the Overlap IDC. The argument used by DURD about CS 1154 was that its Recommendation 1, by which DTR claimed to be responsible for funding all leisure facilities, was analogous to Recommendation (c) in CS 1049. If one of them had to be deferred, went the argument, then so did the other. The Treasury defended DTR by claiming CS 1154 was a proposal to spend within the bounds of functional responsibility, whereas Uren's submission was an attempt to take a coordinating role. The representatives of member departments, in particular DSS, DOH and DEC, agreed with DURD's interpretation. So, the second interim report of the Overlap IDC, this time drafted by DURD, recommended that Cabinet consideration of Recommendation 1 of CS 1154 be deferred⁶². DTR, the Treasury's major ally on the IDC, had been given a taste of the medicine DURD had been forced to swallow. Both interim reports were considered soon after by Cabinet and their recommendations were accepted⁶³.

With its 1975-75 AIP funding safe, DURD took the opportunity to assess its position on the IDC and the value of the IDC to its aims. At the first three meetings the chairman had been Butler, head of the Federal Programs Co-ordination Division, the task of which was to establish

DURD's ascendancy in matters of urban and regional development through the creation of administrative mechanisms controlled by DURD and involving all of the other departments and authorities with interests in the field. When the Overlap IDC was created by Cabinet, DURD regarded it as a pigeon hole for the overlap issue until CS 1049 received Cabinet's approval, giving DURD a central role and removing the need for the IDC. Events forced DURD from a comfortable waiting position to a desperate holding operation which was not relieved until late-August when Cabinet approved of CS 1049 minus Recommendation (c). The IDC had proved to be a nuisance to DURD, providing opportunities for the Treasury and other departments to snipe at its position. Having been established by Cabinet to produce a report on overlap, the IDC would have to be reconvened eventually, but, with Budget Cabinet over, the danger it posed had passed. The IDC would be allowed to continue its difficult life but any value it had for DURD was gone. As if to signify the drop in importance of the IDC, all members sent more junior representatives when it eventually reconvened on 31 October. Butler handed over chairmanship to Mr A. Macintosh, a capable, fair-minded, affable and hardworking DURD officer who represented his department well but in a less partisan manner than his predecessor. In producing the final report, the search for consensus would be more important than attempts to further the policy interests of members: holding ground, not winning new ground, was the aim. From operating at the level of deputy and first assistant secretary the IDC became in the main a gathering of assistant secretaries and senior third division officers.

Before reconvening the IDC, DURD ensured that its flanks were strengthened at a number of previously weak points. It

wished to be in as strong a position as possible before opening itself to attack from the Treasury and other members⁶⁴. The first matter for concern was a paper on regional policy which DURD had prepared. Although much work had been done on the concept of regionalism within DURD and other departments, although much had been spoken and written by the PM and other Labor ministers before and after taking office and although Cabinet had approved the AAP and AIP regional concepts and programs, there was no explicitly stated general Government policy on regionalism. It was hoped in DURD, as the department with nominal responsibility for regionalism, that its version of regional policy would receive Cabinet backing when eventually submitted. The paper, proposing an Integrated Regional Activities Program (IRAP), was criticised unmercifully in a May 1974 meeting of SIDOURD, particularly by the Treasury. DURD decided before reconvening the Overlap IDC not to resubmit the paper to SIDOURD, nor to submit it to the Overlap or any other IDC. When reintroduced to the policy process, the paper would go to Cabinet not via an IDC but rather directly or through one of Cabinet's committees. In the event, the paper was used as the basis of an experiment in regionalism under the auspices of an ad hoc Cabinet committee⁶⁵.

Secondly, there was a continuing problem of competing regional structures operated by various departments but particularly by DURD with its AIP's Regional Organisations of Councils (ROCs) and DSS which through the SWC operated the AAP using Regional Councils for Social Development (RCSDs). The

nature and extent of the conflict between these two regional programs and structures had been clarified though not resolved by the WPRA in the process of drafting its first report. A series of bilateral discussions between DURD, chairing the WPRA, and all departments and authorities with existing or proposed regional administrative structures had been proceeding since April 1974⁶⁶. In mid-October a concentrated effort in bilateral talks between DURD and DSS (including the SWC) produced a core agreement as a first stage to provide the basis for further negotiations:

To meet local government reservations and promote its positive support, DURD proposes that ROCs should be members of the Boards of RCSDs in their own right. This would give a guaranteed process whereby each body would know what the other was doing. Local government can have a say in research and work programs of RCSDs. Also ROCs would regard the properly constituted RCSD as the core of a social planning unit for the region, and use its findings and activities and resources in submissions, or undertakings designed to advance the region's development. This could be confirmed by the RCSD being established also as the welfare advisory policy committee to the separate ROC while maintaining its own legal incorporation⁶⁷.

This core agreement was endorsed by the Ministers for Social Security and Urban and Regional Development. Final agreement was not reached until June 1975, at which time it was the basis of letters from Lansdown to all ROCs and from the Chairman of the SWC and the Director-General of DSS to all RCSDs. To establish the agreed administrative links the major adjustment had to be made by DSS and the SWC in adopting AIP regions for the AAP. This meant that there would be only one RCSD to each AIP region and there were some six regions where RCSDs had to be reorganised to meet this requirement⁶⁸. It was a complicated

basis of agreement and approached a position of joint regional administrative structures.

The third matter which DURD wanted clarified was the relationship between the WPRA and the Overlap IDC. DPMC, almost certainly with the encouragement of the Treasury, checked in September and October with DURD on when the Overlap IDC would reconvene. The answer given was that the implications of the WPRA's work for the task of the Overlap IDC had not been established. What was meant in mid-October by this reply, given that the WPRA had reported to SIDCURD on its first task in early October, was that DURD had not decided whether to use the WPRA and, hence, ultimately SIDCURD to debate questions of regional coordination, programs and funding, or to face those questions on a reconvened Overlap IDC. Those issues were avoidable on SIDCURD but not on the Overlap IDC. DURD, without an acknowledged control role, had to struggle by negotiation, collective and bilateral, to attempt to secure the role it thought properly its own. It was decided that the Overlap IDC would continue as the battleground on regional issues.

DURD prepared the draft final report in time for discussion at the Overlap IDC's 31 October meeting, its first since mid-August. The report acknowledged the functional overlap of departments as the seat of the problems which had led to the creation of the IDC but immediately claimed that issue to be beyond the IDC's terms of reference and suggested it be referred to the Coombs RCAGA for report to Government. In taking that line DURD was adopting the approach that government decided the allocation of functions among departments and it is

then up to departments to make the best arrangements they can to enable the government's chosen structure to work effectively and efficiently. That view implies bureaucratic struggle and departmentalism. As such it is realistic. A permanent head does not report to his minister, his formal channel to Cabinet, that their department should be abolished and its functions dispersed in the interests of better government. Even if he did, the minister, quite keen to remain a minister, would be unlikely to take the suggestion to Cabinet or the PM.

More likely the minister would be looking for a more resilient permanent head. It follows that DURD's approach would not be to recommend removal of the causes of functional overlap since it may find itself removed in the process. Rather it suggested ways to 'coordinate' the overlap, to limit the effects of overlap. Two types of overlap were involved, that occurring with area-based programs such as the AAP and AIP in which general grants went to regions. This type could be dealt with by the ROCs, it was suggested in DURD's draft final report. Given the core of agreement reached between DURD and DSS over ROCs and RCSDs, this was not an outrageous suggestion, especially since the WPRA had reported that the AIP regions were practical for the purposes of most departments and authorities with area-based responsibilities. The second type was the overlap occurring with programs which funded local organisations directly for specific purposes. Here DURD suggested a standing IDC, perhaps chaired by DPMC, to ensure that no local organisation was receiving multiple funding through overlapping programs.

The Treasury's major objections to the draft flowed from the disapproval felt by some of its most senior officers for area-based general grant programs. These, such as the AAP and AIP, were regarded as "slush-funds":

Appropriation of moneys for such funds not based on planned programs of clearly identified functional activities flout basic rules of budgeting and resource allocation⁶⁹.

Here was a clue to the basic difference between DURD, which used every available legitimate means to achieve the area-based control role given it by government, and the Treasury, which had a conception of what constituted efficient, effective, proper government spending i.e. "planned programs", "clearly identified functional activities" and "basic rules of budgeting and resource allocation". Both departments were doing their utmost in the pursuit of their conflicting goals.

The Treasury representative threatened to produce a minority report if DURD's draft were accepted by the IDC. This led to the establishment of a drafting sub-group of DURD, DSS and the Treasury to produce another draft to be based on a document provided by the Treasury. There was fundamental opposition from the Treasury to area-based programs, even though the AAP and AIP had been approved by Cabinet. There was also opposition to DURD, the SWC and any other department or authority which claimed a resource allocation or expenditure control role in the region. The first caused the problems of overlap and the second interfered with the Treasury's 'natural' function⁷⁰. The Treasury always regarded DURD and other organisations such as the SWC as bodies to give "advice to

departments and authorities responsible for functional programs in respect of locational aspects of those program⁷³. According to the Treasury's version, DURD was a mere adviser to other departments and in seeking a control role of any kind was a usurper that had to be blocked at every turn. The alternatives suggested by the Treasury for administrative means to prevent or remove overlap all excluded DURD or any other organisation, except the Treasury itself or DPMC, from a position of influence⁷². To complicate the situation further, DPMC refused absolutely to take any role in which it might be forced to arbitrate on conflicts. Its self-perception at that time was of a department above the bureaucratic conflict, somewhat analogous to the Speaker of the House of Representatives, chairing proceedings and ruling on matters of procedure not content. It took pride in 'coordinating' without controlling. It had not yet begun to develop the powerful policy coordination role built up by successive permanent heads, Menadue, Carmody and Yeend, from 1975.

By January 1975, both DURD and DSS had separately produced redrafts which were sent for comment to the Treasury. The DSS effort, written in conjunction with the SWC, seems to have been particularly poor⁷³. DURD's version proposed that DPMC be responsible for ensuring that new regional spending programs did not imply funding overlap and that, as previously suggested by DURD, there be a standing IDC supported by a DURD secretariat and chaired by whomever the IDC decided. Both redrafts were disliked within the Treasury which produced its own. The true feelings within the Treasury on the issues before the IDC were contained in its redraft. One of the "underlying causes of the problem" was seen to be

(t)he unilateral development of programs by departments sometimes outside their functional responsibilities.⁷⁴

Part of the Treasury solution was for the PSB and PRS to advise the PM on the role and functions of each department so that ambiguity and overlap could be removed. Each function was to be the responsibility of a single department. For the overlap in existing programs the Treasury wanted tighter, less ambitious program definitions so that a local organisation could seek funds for a particular purpose from one program only. Beyond that, departments, such as DURD, claiming a say in locational issues would merely have the right to be consulted "before expenditure commitments are taken"⁷⁵.

The Treasury's approach was the fundamental one of eliminating the organisational overlap at the bottom of program overlap, rejecting the more superficial DURD approach of coordinating the consequences. It wished to abolish general purpose "slush funds" such as the AAP and AIP and to limit DURD's role to giving advice with no power over the programs or expenditure of other departments. Every aspect of the Treasury approach struck at DURD's self-perception and raison d'etre. DURD officers spoke of some parts of the Treasury view as "irreconcilable" with DURD's and "at variance with stated Australian Government policy"⁷⁶. In particular, it was felt in DURD that the Treasury favoured the interpretation of federalism in operation under the Coalition governments and was resisting Labor Government initiatives linked with a changed interpretation of which it did not approve⁷⁷. The crux of the debate was the Treasury's insistence that there was no Cabinet

decision and hence no Government policy, other than what was inherited from previous governments, on regionalism. Cabinet's decisions on the AAP and AIP were seen as isolated and not suggesting a general approach. Something of the strength of the Treasury's resolve can be gauged from an extract from an internal Treasury document:

We should stick to our line DURD's interpretation of government policy isn't holy writ a government policy isn't above criticism⁷⁸.

It was not that the Treasury felt that DURD had misinterpreted government policy on regional funding so much as the Treasury did not agree with government policy as implied, though not specifically stated, by various Cabinet decisions and felt it had to be resisted. This is not to say that the Treasury would refuse to obey those directions of the Cabinet or the Treasurer with which it did not agree. It is to say that every opportunity would be taken to point out to the government the consequences of 'wrong' policies and to push its own views where there was no explicit policy, as it claimed was the case on regionalism, particularly in the IDC arena where departmentalism is integral and bureaucratic conventions shape the outcome.

It was mid-March before the final meeting of the IDC took place⁷⁹. Agreement on the text of the final report was reached, with the exception of a single minority recommendation by DURD:

Regional coordination including comprehensive regional budgeting processes, should be encouraged wherever possible as a means of achieving an integrated approach and avoiding overlap⁸⁰.

This involved too basic an attack on the Treasury view of Australia's federal system to be included in the main report. The conclusions and recommendations reflected the battles fought but used a wording which avoided identifying winners. The inability of the IDC to do much was manifest. It identified areas of program overlap and suggested that "an independent body such as the Public Service Board or the Priorities Review Staff" might report to the PM on conflicts and give advice to the PM on "how areas of potential overlap could be rationalised by more precise definitions of functional responsibilities⁸¹. The IDC had taken nine months to produce a report which acknowledged that program overlap was a potential problem, identified the programs most likely to give overlap problems, and made vague recommendations on the way forward which would hand the problem on to another agency. It is a classic example of an IDC given a task beyond the capacity of the IDC mechanism. As with the WPRA, the work of the Overlap IDC was overtaken by events. The WPRA's report went to the PM from Uren on 22 January at which time DURD and the Treasury were struggling over the final draft of the Overlap IDC report. On 24 January, Whitlam decided that the whole policy area of regionalism and relations with the States was so full of problems that an ad hoc committee of ministers, the Australian-State Regional Relations Committee (ASR), was established to deal with it, with a servicing committee of officials⁸². The Overlap IDC report was left in the hands of

the ASR by the PM, with initial action on it to be taken by the ASR Officials' Committee. It was considered by the Officials' Committee in May, by which time the report had lost any real importance to government. Its conclusions and recommendations, still to be considered, had been preempted by Cabinet Decision No. 3491(ASR) of 21 April which "established a context for co-ordination on a regional basis, of projects under Australian Government programs"⁸³.

The ASR endorsed on 3 June 1975 a Statement on Regional Policy prepared by the ASR Officials' Committee. It was released by the PM on 5 June and was strong confirmation of the view argued by DURD and the SWC that the Australian Government had long had a regional policy. It was to that extent a rebuff to the Treasury's view:

The Australian Government has adopted a regional policy in implementing some of its major new initiatives; the Australian Assistance Plan and the Area Improvement Program are notable examples⁸⁴.

It seems that the final report of the Overlap IDC did not go to full Cabinet. It, along with other reports, including that from the IDC on Multi-Purpose Community Centres⁸⁵, was digested by the ASR Officials' Committee which produced a series of papers for the ASR⁸⁶. These papers and not the IDC reports were the basis of ASR, and thus Cabinet, decisions.

DURD's Relationship with DSP

There were three interrelated problem areas over which DURD and the Department of Services and Property (DSP) struggled: the Government's office construction program, the relocation of public servants as part of a decentralisation policy, and the issue of land tenure (particularly in growth centres and Land Commission areas). The first was extensively treated on SIDCURD, the second on the Location of Australian Government Employment (LAGE) complex of committees, while the third was at the centre of discussions on another two IDCs, one chaired by DSP and the other by the Cities Commission.

DSP had a narrowly focussed task. Value for money and speedy provision of office space were its chief criteria. Its approach was ad hoc, meeting the needs of the moment. DURD on the other hand was keen for office location to be an integral part of its attempts at decentralisation. Value for money was important, but only secondarily so. DURD's approach required planning, a longer-term view and the paramountcy of urban and regional development criteria over the short-term demands for departmental office space. To DURD, a properly planned approach would minimize both the need for ad hoc responses and the occurrence of crises. DSP officials regarded themselves as 'hard-nosed professionals', experienced in property matters, as opposed to the 'amateurs' in DURD. There was no sympathy within DSP for DURD policy aims and the ways in which the property function could be made to further them.

The protracted conflicts between DURD and DSP, culminating in the transfer, were fought over these basic issues. As a result, DSP's buildings acquisition program was virtually stalled and there was a 'leasing explosion'⁸⁷.

Office Development: Parramatta and Spring St.

Parramatta

Throughout 1978 and later, DURD and DSP were in conflict over the issue of Australian Government Office development in Sydney and Melbourne. An initial Cabinet dispute in February (or March) 1973 between the Ministers of URD and S&P, over whether the previous Coalition government's proposal to build a government office complex in the inner Sydney suburb of Woolloomooloo should proceed, was resolved in favour of Mr Uren⁸⁸. He had argued that the purchase and development of a site in Parramatta, an outer western suburb of Sydney, was in line with the NSW Government's 1968 Sydney Region Outline Plan for that area and the Australian Government's urban and regional policy, encouraging decentralisation of employment from the CBD and development of commercial opportunities in Parramatta. DSP, after discussion with DURD, then sponsored Cabinet Submission No. 221 to acquire a site in Parramatta. That submission was favourably received by the URD Committee of Cabinet at its 21 March meeting and was subsequently approved by Cabinet⁸⁹. The decision to purchase a Parramatta site was announced jointly by the Ministers for URD and S&P on 8 May 1973⁹⁰. Conflict between DURD and DSP then shifted to how the site was to be developed.

The Meggitt site development was a key element in DURD's strategy for making Parramatta a major centre of commerce and employment. The development would not only provide office accommodation for a large number of public servants but would also contain commercial, retail, recreational and cultural facilities for the convenience of the general public. DSP's

only interest was to provide office accommodation to meet government needs and pictured the Parramatta development as a giant office block.

Lansdown contacted DOW about a possible mixed development on the Meggitt site⁹¹. Lansdown was informed by the head of DSP, Mr Timbs, that land use questions were DSP's responsibility, and that there was a possible conflict between "the Commonwealth requirements and commercial use"⁹². In his reply, Lansdown, while acknowledging DSP's jurisdiction, suggested that a mixed development should be considered and that a discussion between the two ministers on that point might be arranged. There the matter rested for a few months.

Uren wanted to disclose the government's plans for Parramatta during the ALP's campaign in the by-election for the Federal seat of Parramatta. The Coalition heard of Uren's intentions and Mr Anthony of the Country Party asked a question without notice in order to brand the planned disclosure as vote-buying at the taxpayers' expense⁹³. Mr Uren released details of the scheme on the following day and these were widely reported in the press⁹⁴. However, only draft plans for the development, commissioned by DURD from a firm of architects, had been completed. DSP officials were yet to view them, and final Cabinet approval was still to be sought.

DURD introduced a new matter to the general dispute in late 1973 when it proposed a further acquisition to give the Meggitt site access to a fourth frontage, on Marsden St. This would provide a link with other shopping developments already

under construction and would thereby, it was claimed, improve the retail and other commercial possibilities of the site development. DSP objected strongly. There were now two major issues causing conflict, mixed development and extended site acquisition.

Six months after Uren's September announcement of plans for Parramatta, the new Liberal member for Parramatta, Mr P. Ruddock, asked Uren to report progress⁹⁵. Due to the unresolved conflict, he could reply only that further acquisitions were necessary to complete the site and that discussions between DURD and DSP were continuing⁹⁶.

In fact a number of changes occurred in December 1973 to alter the context of the dispute. Cabinet Decision No. 1819 of that month approved DURD's submission that government offices in metropolitan areas be dispersed from the CBDs to more peripheral locations. It also divided functional responsibility for office development among a number of departments. DURD, after appropriate consultation through SIDCURD, could choose a desirable "location" for a government office according to URD criteria. DSP would choose the actual site and develop it in conjunction with DOH and DOW (afterwards DHC). Perhaps most importantly, DURD was given overall responsibility for seeing that office location activities authorised by Cabinet were being carried out by being asked to 'coordinate' those activities.

There was ambiguity in the decision. DSP interpreted 'location' to mean 'locality', so that DURD could only nominate the general area for an office: DURD's interpretation was that

it could involve itself in the very development. Secondly, Cabinet went to the trouble of separating responsibilities but by giving DURD an overall co-ordinating task immediately clouded the division.

The decision did establish SIDCJRD as the forum for office location discussions, a significant clarification in the organisational aspect of the DURD/DSP relationship. DSP attended SIDCJRD for the first time at the 12 December meeting and was a regular attender thereafter⁹⁷. As a result of Cabinet Decision No. 1819 the matter came to SIDCJRD in January 1974 and appeared on the agenda again in March, May, August and October⁹⁸.

DSP recognised SIDCJRD's role but was loth to admit that DURD had primary responsibility for office location issues. On 6 February 1974, Lansdown sent to Timbs a copy of a preliminary draft of a Cabinet submission on the Parramatta issue prepared within DURD. By this time Timbs had accepted in principle the idea of a mixed development, but (contrary to DURD) insisted that the retail and commercial space be minimal. Timbs ordered that a competing DSP Cabinet submission be drafted by his officials. Two submissions from separate departments on the exact name subject were not permitted in Cabinet, so progress required an agreed joint submission.

It doesn't look as if we are going to reach an agreement with Services and Property at this time but we shall continue to search for common ground⁹⁹.

The convention is that discussions take place between ministers, between a minister and his officials, and between

officials of different departments. A minister does not normally discuss policy matters with an official of another minister's department. In this case, with Uren overseas, Lansdown broke convention and met with Daly, the Minister for S&P. Uren felt that Daly was not at odds with DURD's approach but that the department (especially its permanent head), arguing for positions not held by the Minister, was the core of the problem. Lansdown established that Daly's priorities were to create office space for 6,000 officials and to begin construction as soon as possible. So the minister, unlike his department, was not bothered if it were a mixed development with a major non-office component, nor with the issue of site acquisition. An architectural solution looked possible. The Works Architect from DHC was asked to prepare drawings for a development which provided for 6,000 officials, community space, car parking, a major department store and other retail facilities on the site, while taking account of proper environmental standards¹⁰⁰. Lansdown allowed that if all such uses could not be fitted onto the site then the issue would become a choice between the proposed department store and some of the proposed office space.

In the months following the Lansdown/Daly meeting a solution was emerging at the departmental level. It involved a two-stage development of the site in which both sides got something but not all of what they wanted. Lansdown's report to DURD's Executive Committee gave the situation:

Mr Timbs will draft a Cabinet Submission proposing Stage I development for 2,500 Public Servants on the site with opportunities for extensions and with certain community facilities included in Stage I. The draft Submission will make it clear that in the planning for the whole site the options are to be left open for further consideration of the major retailing development which has become an issue....¹⁰¹.

The negotiations between departments which led to the two-stage solution of the mixed development also produced agreement on the question of further acquisition. It was agreed that DSP would formally approach Egremont Pty Ltd about the purchase of an easement through a vacant Marsden Street property owned by that company. That action was eventually taken by DSP following approval of a joint Cabinet Submission.

Annoyed by the lack of progress of development on the Meggitt site, Mr Ruddock, the local MP, asked a question without notice of Mr Uren on 13 November 1974:

Mr Ruddock - Yes. Is there any truth in the suggestions that differences between each of the Ministers on the approach to be taken to this development is delaying consideration and approval by Cabinet of development plans for this important site?

Mr Uren - Let me answer first the question about differences between Ministers. No, there are no differences between Ministers. Mr Daly and I are united in relation to the development of the Parramatta site for a Commonwealth Centre¹⁰².

Again, during a personal explanation to the House on 5 December 1974, Mr Ruddock claimed

".... that differences have existed and in the battle the minister for Urban and Regional Development appears to have lost"¹⁰³.

In a reply Mr Uren stated categorically, that

"... the suggestion that there were differences between Mr Daly and myself is complete untrue"¹⁰⁴.

As unlikely as Mr Uren's claims may have seemed to Mr Ruddock there were completely accurate. On all major issues there was no difference between the two ministers. The differences that existed were between Daly and his department and of course between the two departments¹⁰⁵.

The proposal to develop the site went for assessment to the Parliamentary Standing Committee on Public Works by resolution of the House on 5 December 1974. That Committee reported favourably on 22 May 1975 and its report was debated and recommendation accepted by the House on 5 June¹⁰⁶. The Government's supply crisis was, however, almost upon it so funds to begin the development were not made available in 1975 or even later. The Meggitt site remained undeveloped until the Hawke Labor Government recommenced the project in 1985.

Spring Street:

A similar pattern of conflict existed between the two departments over proposed development of a site in Spring Street in the centre of Melbourne, as an Australian government office complex¹⁰⁷. The difference between the two disputes was that whereas DSP quickly accepted the Meggitt site as an alternative to one in Woolloomooloo and conflict was mainly over the nature of the Parramatta development, in the case of Spring St. the controversy was about whether or not the originally chosen inner-city site would be developed.

The proposal for an Australian government office complex on a site in Spring St. owned by the government was inherited from the Coalition government and was strongly supported by DSP. By Cabinet Decision No. 763 of June 1973, phase one of the proposed development was frozen and a feasibility study of possible uses of the site was ordered to be undertaken by the appropriate IDC. At the time the appropriate IDC was that on Office Location set up in January 1973 by Cabinet with DURD as chairman¹⁰⁸. At the request of the IDC the feasibility study was undertaken by DSP and DOH, but had not been completed by the end of 1973.

In early 1974, DURD discovered that DSP was discussing with the Lord Mayor of Adelaide possible locations for Australian government office buildings in that city¹⁰⁹. DSP had not informed DURD nor SIDCURD and was giving every indication of blithely going about its business as property manager as though the Government had no urban and regional policy. At the same time DSP was consulting with Australian Government departments located in Melbourne as to whether they would all like to be in the same Government Centre in the CBD. Mr Lansdown's comment on these moves was sensible, if cautious:

It may be that this is all very reasonable and that Services and Property are ventilating possibilities with one eye on current policies and will bring proposals forward in good time. On the other hand, it is quite possible that under a strong Permanent Head that Department is taking unilateral initiatives which could result in major problems for us¹¹⁰.

Lansdown's line of action was to ensure that all IDCs in the office location and office construction areas were made aware of

DSP's activities. In particular, the new LAGE Committee, chaired by the PSB, was to receive a paper and an agenda item from DURD for its 15 February 1974 meeting.

At the 24 January meeting of SIDCURD the third of its working parties had been established, on the issue of a site for an Australian government office complex in Melbourne¹¹¹. Although Cabinet halted phase one of the proposed Spring St. development in June 1973, no final decision involving an alternative use of that site was made. Nor was there a decision on an alternative office development. The Working Party on Office Location was asked for a recommendation on a suitable location. DURD as Chairman pushed hard throughout the WP's life in the first half of 1974 to have Ringwood, an outer Melbourne suburb, recommended as an alternative location while DSP continued to argue for developing Spring St.

The feasibility study of uses of the Spring St. site being undertaken by DSP and DOH (DHC since 30 November 1973) was completed in February 1974. In writing to Timbs about the study on 8 March, Lansdown attacked it for ignoring URD considerations while concentrating on the technical issues of town planning and construction. Timbs was informed that the study would be listed for discussion at the March meeting of SIDCURD and that any consequent Cabinet submission was not a matter for DSP and its minister but for DURD and its minister. Lansdown reminded Timbs of Cabinet Decision No. 1819 of December 1973 which gave DURD overall responsibility for ensuring that all action directed by Cabinet in that policy area was carried out.

DSP did not accept DURD's interpretation of the Cabinet Decision nor did it accept that SIDCURD had recognised DURD's primacy in office location issues. In addition DSP could point to Cabinet Decision No. 763 of June 1973 which while freezing work on Phase I of the Spring St. development also authorised feasibility studies to be done on the site, indicating Cabinet had not made a firm decision on the Spring St. development¹¹². There was confusion and ambiguity, of which DSP took advantage in continuing after March to prepare a draft Cabinet submission for its minister favouring the Spring St. office development. The issue was regularly discussed on SIDCURD with DSP finally, though reluctantly, agreeing to bring its draft before the 5 August meeting. The showdown took place and resulted in Timbs agreeing that the correct policy context for a decision on Spring St. was that of dispersal of government employment in metropolitan areas¹¹³. At this point DURD had effectively won the battle over Spring St., but the matter had to go to Cabinet for final resolution.

Relocating Public Servants

In December 1973 the PM approved a structure for interdepartmental consultation on the matter of location of Australian Government employment¹¹⁴. There was to be a parent Standing Committee on Location of Australian Government Employment (LAGE), three subordinate Study Groups and Office Construction Groups (OCGs) for each state and the ACT. LAGE was established at permanent head status under the chairmanship of the PSB, and was to report to the PM. The Study Groups, on Transfer of Australian Government Staff to Albury/Wodonga, on Dispersal from Inner-City Areas, and on Australian Government

Staff in the ACT, were all to report to LAGE. The terms of reference for LAGE, approved by the PM, were as follows:

To report to the Prime Minister on which units of Australian Government Employment (i.e. departments and statutory authorities) might be re-located in the light of the Government's policies on urban and regional development and having regard to efficiency in administration and the interests of staff.

DURD intended to have a considerable say in policy recommendations from LAGE to the PM. The original intention, in a proposal developed by the PSB, was for the entire LAGE committee structure to be a sub-committee of SIDCURD. When that notion was rejected in negotiations between departments, a procedure of consultation between LAGE and SIDCURD was agreed on¹¹⁵. To keep both LAGE and SIDCURD informed of each other's activities, the Chairman of the PSB was to attend SIDCURD meetings. SIDCURD decided which geographical areas would be desirable for locating public officials and LAGE decided which administrative units should be relocated¹¹⁶.

DSP had formerly chaired an IDC on office construction concerned with dispersal of staff and objected to any IDC structure which "interfered in an area it regarded as its own private responsibility, the area of office construction"¹¹⁷. As a result, the Office Construction Groups (OCGs), all with DSP as chairman, were to report to the Minister for S&P, not the PM.

The ACT OCG was convened by DSP and a Cabinet Submission on an office construction program for Canberra to 1980, produced by it at its first two meetings in March and April 1974, went to Cabinet through the Minister for S&P without being referred to LAGE. The parent committee instructed the OCG that all future

location proposals were to go to the parent committee before going to the political level¹¹⁸. Point (iii) of LAGE's terms of reference required the OCGs to inform LAGE "in the interests of co-ordination of relevant progress... ". That information was to be reported by LAGE to the PM.

DSP would not put any matter involving office construction to LAGE. It even declined to convene any of the State OCGs, claiming its existing arrangements worked well enough¹¹⁹. The conflict persisted prompting the PSB to arrange for the PM to write to all ministers in July 1974 "directing that all location proposals be referred to the (LAGE) Committee"¹²⁰. Despite that direction the Chairman of the PSB felt the need to write to the Permanent Head of DSP in late 1974 asking for DSP's co-operation with LAGE¹²¹. It was not forthcoming. DSP was determined not to have any other department or IDC trespassing in an area of responsibility it felt strongly to be its own, by virtue of both the tradition inherited from Interior and the AAO which in DSP's assessment clearly gave it that responsibility. Matters considered by the ACT OCG were in DSP's view the technical and administrative details of office construction and did not interfere with the policy aspects of location decisions taken on LAGE. The terms of reference of the ACT OCG made it responsible to the Minister for S&P and made no mention of reporting to or liaising with LAGE:

The ACT Office Construction Group will be responsible for the preparation of reports to the Minister for Services and Property on the needs phasing and co-ordination of Australian Government Office Construction within the A.C.T. The reports will be based on a comprehensive review of office accommodation within the region, including current and projected situations and considerations of general purpose and single occupancy office buildings¹²².

The direction in point (iii) of LAGE's terms of reference was not sufficiently strong to overcome DSP's interpretation of the terms of reference of the OCGs. There was little that could be done at the departmental level without amendment to the terms of reference to create a closer relationship and clarify responsibilities. Only the PM or Cabinet could do that. DURD would certainly have been interested in the reports prepared by the ACT OCG and its State equivalent. It was a member of LAGE and two of its three study groups but was not a member of any OCG¹²³. Since DSP kept office construction matters away from LAGE DURD, through the new structure, could neither be involved in nor even informed of the activities of the Groups.

Land Tenure

DURD had a legitimate interest in the property holdings of the Australian Government, which in 1973, by one account, amounted to 11,000 individual properties with freehold title and many more held by lease¹²⁴. Through the AAO of 19 December 1972, DURD had responsibility for land matters affecting urban and regional development policy. In his Blacktown election speech, Whitlam committed a Labor Government,

to give Australian families access to land and housing at fair prices, and to preserve and enhance the quality of the national estate of which land is the very foundation¹²⁵.

The land required would be purchased by Commonwealth-State Land Development Commissions in each State and land tenure arrangements would be diversified "to cater for the needs and wishes of all sections and income levels of the community"¹²⁶

DURD's claims, both for the nature of Government policy in the area and for itself received Cabinet's imprimatur in Decision No. 372 of 26 March 1973. That decision approved Submission No. 214 drafted by DURD in consultation with DPMC, Treasury, A/G's, DEC, DOC, DOT, DSP and DCT¹²⁷. Of the mandatory interdepartmental clearance operation associated with the Cabinet Submission, Troy commented:

This was to be the last occasion when it was sufficient to invoke the Prime Minister's name in support of a proposal for it to receive speedy consideration¹²⁸.

DURD's creators believed that a planned approach to acquiring and disposing of Australian Government property could have a significant effect on urban and regional development policy. Unwanted properties, not well located from an urban and regional development standpoint, could be disposed of and replaced by others more suitable. The major obstacle to any kind of planning was that no inventory of holdings existed. All property dealings were on a case-by-case basis, satisfactory for the ad hoc approach long used by the Australian Government's real estate manager, DSP and its forebears. It was suggested by DURD in early 1973 that a systematic review of land uses be undertaken to provide the basis for a planned approach in line with the Government's urban and regional development policy¹²⁹.

As the department responsible for administering the Lands Acquisition Act, DSP convened a meeting in early August of DOD, Army, Navy, DED, DOH, DPMC, DTR, DURD, Treasury and the National Estate Inquiry, to discuss disposal of surplus real

estate. The meeting agreed that a paper should be prepared for Cabinet describing the policies and procedures operating with respect to Australian Government land and raising the question of whether an IDC should be established to review the uses to which the land was put and the approach taken to land disposal.

The suggestion of a review of disposal policies and procedures was welcome. The government was faced with a series of requests for the transfer of individual parcels of land surplus to its requirements, or for the transfer of land parcels which State, local governments and conservation groups felt could be put to a better use, and it had no coherent set of rules to which it could turn¹³⁰.

Throughout 1973, Members of Parliament had approached Uren for help in transferring particular pieces of real estate from the Federal Level to State or local government. Uren had long held a personal interest in seeing that those parts of Sydney Harbour foreshore lands used by the Australian government for defined purposes which restricted public access were returned to open public use. DSP seemed to be making little progress with the paper suggested by the August meeting and was conducting negotiations on land transfers in its usual ad hoc way with no account taken of urban and regional development policy.

On 15 November, Uren wrote to the PM on a suggested strategy for the "best use of Australian Government property". He urged that,

The future of any particular site should be interrelated with our approach to the development of the whole metropolis. That is, we should not consider Sydney Harbour foreshore lands in isolation from other lands, such as Defence Lands at Holsworthy. To respond to State overtures on an ad hoc basis would be to weaken

our bargaining position Consequently, I would propose that no Australian Government property, be it Defence lands or lands currently administered by Services and Property, should be disposed of or transferred without discussions with the Department of Urban and Regional Development.

The PM wrote to the Minister for S&P on 30 November asking him to have DSP convene an IDC

... to review as a matter of some urgency the use of Australian Government-owned lands generally and formulate policy options and procedures in accordance with Government objectives.

A paper from the IDC, similar to that thought desirable by the August meeting of officials, was requested by the PM. According to two sources, Uren's letter to the PM of 15 November was intended to lead to an invitation to Uren to have DURD convene an IDC, but "owing to an oversight in the Minister's office", by which the specific suggestion to that end was omitted from the letter, DSP was asked instead¹³¹. Since DSP had AAO responsibility, a point which the PM made in his letter to Daly, it may have been given the convening task whatever Uren's letter had said. It seems certain that the PM's advisers in DPMC would have favoured the conventional approach of having DSP chair an IDC in the area of its AAO responsibility, particularly given that DSP had convened the August meeting of officials on that basis. Whitlam was not anxious to create problems between ministers by giving to one what clearly appeared to be within the responsibility of the other.

The IDC on Australian Government Land Use, Policies and

Procedures (IDCAGLU) had as members DSP (chair), DURD, DPMC, Treasury, DOC, DEC, DOH (DHC), DTR and the National Estate Inquiry. At its first meeting on 19 December it established two working parties, No. 1 on Policies and Procedures, and No. 2 on Sydney Harbour Foreshore Lands, each with the same membership as the IDC. While No. 2 did useful work to assist ministers in decisions involving foreshore lands, it was No. 1, on policy, which was the arena for major disputes.

The PM's letter to the Minister for S&P of 30 November seems to have acted as a catalyst in changing DSP's self-image from service department to significant policy department. In requesting that it convene an IDC, the letter acknowledged DSP's primacy in land management and, in a wording which must have caused weeping and gnashing of teeth in DURD, explained that the IDC would enable DSP to consider the advice of other departments on land use matters. To DSP the PM was asking it to undertake a policy role. Even DURD could merely offer advice on land matters:

Inadvertently, Whitlam had effectively created another department of Urban and Regional Development because S&P now felt they had the authority and responsibility to pronounce on urban development strategy¹³².

If the first problem for DURD was DSP's perception of an important role for itself, the second was DSP's estimation of the breadth and coverage of that role, particularly through the IDC. DSP insisted that WP No. 1 had "wide policy formulation and interpretation responsibilities" at its first meeting in mid-January 1974¹³³. WP No. 1 produced a report in late March which was drafted, as was the convention, by its chairman, DSP.

It proposed that surplus Australian government land should be disposed of only on a leasehold basis and that DSP have the major say

in determining the appropriateness of the proposed use of the land and in its subsequent management¹³⁴.

In early April, DSP claimed its policy role extended to land matters involving Land Commissions and growth centres. Further, it insisted that any such land required for Australian Government purposes should be acquired freehold¹³⁵.

DSP was claiming the role on questions of land tenure and use in growth centres and where Land Commissions were involved, with DURD having an advisory role only. Treasury and possibly DPMC shared this view of departmental responsibilities¹³⁶. Even that interpretation of the AAO would not have seriously affected DURD had DSP, DPMC and Treasury agreed with DURD on the matter of land tenure. This was not the case.

The position held by DSP was that Australian sovereignty over parcels of land could not easily be transferred to State government authorities, so disposal of leasehold only should be standard; and that Australian government land uses should be on a freehold basis to avoid being subject to full commercial rentals with regular reviews, which would apply to leasehold. DSP's approach was to acquire freehold and to dispose of leasehold only. Crown freeholdings would increase as would the amount and importance of DSP's work.

Treasury supported DSP's view and in a paper to the Committee on Land Disposal Techniques for Growth Centres (CLDTGC) on the economics of alternative land allocation systems argued strongly against leasehold tenure, claiming the following:

the public sector should not give disguised subsidies to the private sector through low interest rates implicit in leasehold systems that attempt to recover the costs of land development and the value of premiums by a land rent; (and) ... leasehold payments (are) tax deductible as a business expense ... a substantial subsidy¹³⁷.

DURD's view was that negotiations with the States had been based on the expectation that Australian Government land uses would be on leasehold tenure, which would require conformity with local planning regulations. The States were not happy to allow the Australian government to operate in growth centres with freehold tenure which exempted it from local planning control:

Uren was, of course, trying to develop a planning and development process which would inhibit government agencies from doing what they wanted regardless of the planning for an area. The PMG and State railways were good examples of government agencies pursuing their own courses of action regardless of other considerations. Representations were periodically made by local government authorities to have government authorities brought under planning control. Uren agreed with this approach, S&P and Treasury did not¹³⁸.

The view held by Uren and senior DURD officials derived from the first report of the Commission of Inquiry into Land Tenure¹³⁹. Uren was told unofficially by the Commission of the system of tenure it would recommend; residential freehold, a form of freehold with developmental rights reserved to the Crown, for residential uses; and leasehold for all

non-residential uses¹⁴⁰. Uren then gained Cabinet support for this approach to tenure and informed the States, committing himself to using the Commission's recommendations as the basis of negotiations with the States at a meeting in Melbourne of Ministers from all States on 22 October 1973, over a month before Whitlam's letter which led DSP to convene IDCAGLU¹⁴¹.

The arguments of Treasury and DSP were solid enough within the traditional approach to land questions. DURD proposed something new, to subject the Australian government to local planning control not just for purposes of goodwill or local autonomy but to get the scheme away from the bickering at the national government level in order to get it underway, causing benefits to flow to the people as quickly as possible. Questions of sovereignty and following procedure in the interests of minimising expenditure were secondary considerations for DURD.

Initially, Uren accepted that IDCAGLU was the forum for interdepartmental consideration of issues involving Australian government land tenure and use. He stated in a Cabinet Submission on the Land Commissions Program of January 1974:

At this stage it is not necessary to determine either the terms of transfer of Australian Government land or the terms on which land will be made available for Australian government services. I expect that both of these issues will be considered by the Interdepartmental Committee on Australian Government Land Use Policies which has been set up following correspondence between the Prime Minister and the Minister for Services and Property¹⁴².

DURD had become concerned in February that the issue of

land tenure as it applied to Land Commission and Growth Centres might be trapped in an IDC dominated by the views and priorities of DSP and the Treasury. It sought clarification of the role of the IDC, its agenda and procedures.

On 18 February the Chairman of the Cities Commission wrote to Uren claiming that policies were needed swiftly on the disposal of land in growth centres, particularly Albury-Wodonga, and urging the creation of an IDC for that task. Instead of referring the matter to IDCAGLU or even SIDCURD, Uren established the Committee on Land Disposal Techniques for Growth Centres (CLDTGC) on 5 March with the Cities Commission in the chair and DURD, DSP, Treasury, DPMC, A/G's and DCF as members¹⁴³. This was to be an alternative forum for DURD's views and given that the Cities Commission was in the chair, DURD was sure that more notice would be taken of it there than on IDCAGLU. It seems that the reason for creating the CLDTGC was to isolate questions of land tenure as they touched Land Commissions and growth centres from more general questions of land use. In this way DURD's view would be the central one, from which others would have to dissent. A report from CLDTGC to IDCAGLU would put DURD's position in higher relief than could be the case if DURD made a contribution to IDCAGLU as a member. DURD, however, still acknowledged the primacy of IDCAGLU:

Any considerations of Land Tenure for Government and public uses will be dependent on decisions reached by the IDC on AGLU¹⁴⁴.

Uren wrote in similar terms to Daly about the time of the first meeting of the new committee in late May:

I expect that the work of the Committee (on Land Disposal Techniques in Growth Centres) when it has been completed will be available for consideration by the IDC on Australian Government Land Use Policies ... a sensible procedure which would avoid duplication of effort would be for the Committee which includes representations of most of the Departments on the IDOGLU, to complete this part of its task and make recommendations to the IDOGLU, hopefully for its endorsement¹⁴⁵.

At every meeting of IDCAGLU after 4 April when DSP stated its wider policy claims, the battle raged over the same issue. DURD delayed in presenting material on land tenure in growth centres in the hope that the CLDTGC would be authorised by IDCAGLU to consider that matter in line with Uren's sentiments in his 29 May letter to Daly. The hope was vain. Most of the members of IDCAGLU were unhappy with DURD's approach and DSP, claiming at the 5 June meeting that the conflict would have to be resolved by Cabinet, sought for the IDC to lodge a Cabinet Submission on the matter by mid-June. Treasury agreed and refused to discuss the sensitive issue on CLDTGC until it were resolved on the other IDC. DSP wrote to DURD expressing the opinion that CLDTGC had no legitimacy to discuss the issue. It also sent a copy of its draft Cabinet Submission to DURD for "urgent" comment on 17 June. Uren wrote to Daly two days later requesting that the Submissions not go forward¹⁴⁶.

The existence of DSP's draft submission generated further conflict between the two points of view. The position was serious enough for the DPMC representative at the 26 June meeting of CLDTGC to claim that there was "fundamental disagreement", that IDCAGLU was the proper forum, and that if a resolution were not quickly possible, Cabinet would decide¹⁴⁷.

Any submission to Cabinet in such circumstances would be drafted by the chairing department in consultation with other members. That was the convention. DSP, chairman of IDCAGLU, seemed to be in a strong position, with the support of other members, particularly DPMC and the Treasury. Only DURD was opposed. DSP proceeded with its submission¹⁴⁸. Following convention, a statement containing DURD's dissenting viewpoint was attached. DURD quickly lodged a competing submission with the Cabinet Secretariat. As a result DSP's submission did not proceed to Cabinet. The convention (which DURD was deliberately exploiting) was that only one Submission on any issue should go to Cabinet, any differences in viewpoint being reconciled before seeking a decision from Cabinet.

Further meetings were held at CLDTGC and it reported on 20 September¹⁴⁹. DURD drafted the report. It was received with fury by some members, especially DPMC, Treasury and DSP, with the claim that it did not properly represent the discussion or position reached on CLDTGC¹⁵⁰. It gave prominence to the findings of the first report of the Else-Mitchell Inquiry into Land Tenure, the basis of DURD's negotiations with the States.

The competing submissions, unable to be reconciled, were considered by Cabinet in October and November (or perhaps December)¹⁵¹. In the second of those meetings Cabinet also considered the CLDTGC report which proposed a land tenure and land management system:

In endorsing the proposed system, cabinet specifically endorsed the proposal that land for government uses in the Land Commission areas and growth centres, with exceptions such as special defence and telecommunication

uses, should be on a perpetual leasehold on condition that the states were prepared to accept this form of tenure for their own holdings.

Cabinet also agreed that residential sites should normally be sold on freehold title with conditions restricting use and with development rights reserved.

At a later meeting it was agreed that land for commercial-industrial leases should be subject to annual land rent with regular reviews¹⁵².

DURD's views had triumphed. Perhaps more significant than the eclipse of the views of Treasury and DSP, presented so vehemently on the two IDCs, was that the two Ministers, Uren and Daly had no difference on any of the major points which had been at issue at the departmental level. As Troy comments, it revealed "that S&P was out of step with its minister¹⁵³.

If DURD had followed bureaucratic convention, it would have reconciled its views with those of DSP and Treasury on the IDCAGLU; it would not have sought to use CLDTGC as an alternative IDC forum; if no reconciliation could have been achieved on IDCAGLU, DURD's dissenting attachment would have been the full expression of its position to Cabinet; it would not have lodged a competing Cabinet Submission. If DURD had followed convention it may well have seen its view rejected by Cabinet. It certainly would have had to rely on its Minister to carry Cabinet from what would normally be seen as a weak position. Uren may have succeeded even from that position but it would seem that DURD's actions made his task somewhat easier.

IDCAGLU produced a draft final report, mainly the work of DSP, which it circulated to members for comment on 20 September 1974. The final report was delivered to government in

early 1975, after the important decision had already been made. DURD's comments on the draft were at such variance with the report that they were completely discounted¹⁵⁴:

The report produced by S&P would probably have been produced in a virtual identical form without the IDC. Or as a general report designed to not damage relations between S&P and its customers, other Australian government Departments¹⁵⁵.

CONCLUSION:

Uren and his officials knew by Late 1973 that their overall coordination strategy was in difficulty. No positive coordination capacity had been developed. The signal of acknowledged failure was the launching of a major effort to use negative coordination through IDCs to promote DURD's position until the urban strategy and budget were readied and Uren could gain more consistent support in Cabinet and its committees.

By late 1974, it was realised that the IDC effort, too, had failed. DURD could do no more than any other member of an IDC to impress its favoured position on committee outcomes. IDCs continued to be used by DURD, but more to 'hold the line' rather than to make advances. DURD had been forced, in Self's terms, to make its play from box 1 and even there had failed. Its efforts to promote its own views on IDCs had resulted in DURD becoming a serious obstacle to the policy ambitions of other departments. Those other departments had made the clearance process, the necessary preliminary to Cabinet approval, difficult for DURD. In return DURD had brought much of what they (DSP and DHC in particular) were attempting to a

halt. DURD lacked specific policies in many of the areas in which it blocked the policies of others. Its victories were few and were mainly over weaker departments such as DSP.

In jurisdictional terms, DURD could make no convincing claim, as 1975 began, to a resource coordination or policy coordination capacity of a positive, arbitral or negative kind. From the actions of its competitors and of the central authorities it is obvious that they perceived DURD as having no coordinating capacity and only a limited policy jurisdiction. DURD officials did not give up hope and continued to seek opportunities to coordinate both policy and resources. Their further efforts to achieve control - through the administration of a program, through responsibility for a defined sector of government spending within the annual budget, and through direct responsibility for functional policy by way of takeover of the stated functions and administrative structures of some competitors - are examined in the next three chapters.

CHAPTER SIX

PROGRAM: THE MORETON REGIONAL EXPERIMENT

DURD attempted, in early 1975, an experiment in coordination which received no publicity at the time or since¹. Nothing has been heard of the Moreton Regional Coordination Exercise. It was an attempt to do something quite remarkable in the context of Australia's federal, Westminster-derived system of government, to coordinate the activities of all three levels of government in a single region and to develop an associated regional expenditure budget. If successful, the exercise could have changed radically the operation of Australia's federalism. It failed badly.

As we saw in the previous chapter, in the non-budget aspect of its coordination task DURD relied upon interdepartmental committees (IDCs), especially the Standing IDC on Urban and Regional Development (SIDCURD). One of the working parties was on DURD's Area Improvement Program (WPAIP) and another on Regional Activities (WPRA). Both were established in the November/December 1973 period. The WPRA's terms of reference required it to report on the regional activities of the federal Government's regional policy². Only the first of its tasks, gathering information, was undertaken. The Area Improvement Committee attempted, with little success, to coordinate the regional programs of other federal departments and authorities. The highlight of its existence was DURD's attempt to bring before it a paper, completed in January 1974, which propose an upgraded role for the AIP and a change of name to the Integrated Regional

Activities Program (IRAP). It was proposed in the paper that IRAP,

should adopt a more positive role in "co-ordinating specialist programs on a regional basis". For each region there should be a regional program administered by a "regional team" composed of an officer from each department involved in expenditure in the region. The regional team would "reconcile programs and policies" from each department with DURD in the chair. There would be a central co-ordinating committee set up under the umbrella of SIDCURD³.

DURD worked to elevate the AIP from a spending program to a regional coordinating program under its control. In essence, the plan was to use that standard public service device, the IDC, but operating at the regional level as opposed to the Canberra level where DURD's efforts had met strong resistance, to impose urban and regional development policy onto other departments. When DURD announced at the 14 March meeting of SIDCURD that the paper would be the basis of a Cabinet submission, members demanded that it be brought before SIDCURD rather than the WPAIP. So negatively was the paper received that DURD pigeonholed it.

DURD's various attempts to pursue a non-budget coordination role were consistently frustrated in the interdepartmental negotiations essential to the introduction of any such coordination scheme. Late in 1974, however, a series of events, beginning at the ministerial level, led to a new hope within DURD that something experimental along the lines proposed in the paper could be undertaken with the broad agreement of Cabinet. What follows is the story of that experiment.

AN OPPORTUNITY TO COORDINATE

One of several ad hoc Cabinet committees established by Whitlam in 1975 to replace a collapsing system of standing committees of Cabinet was that on Coordination of Australian Government Activities in the Brisbane Area (the Brisbane Committee)⁴. Its genesis was in 1974 when Bill Hayden, Minister for Social Security in the federal Labor Government, was having difficulty in establishing the Australian Assistance Plan (AAP) in Queensland because of objections from the conservative coalition State Government. The ALP Lord Mayor of Brisbane, Alderman Clem Jones, offered to administer the AAP there, leading Hayden to propose formally to Whitlam on 10 September 1974 that arrangement be made to "bypass the State Government"⁵. On 25 October Whitlam asked Uren, who had responsibility for regional matters, to call a meeting of interested ministers to discuss Hayden's suggestion. DURD was involved at the time in delicate negotiations with the Queensland Government about the introduction of an AIP for Brisbane and Uren had no wish to upset the negotiations, so he took no immediate action. Jones wrote to Whitlam on 2 December repeating his offer and then extended his proposal on 11 December to include the local government areas surrounding Brisbane. Whitlam again contacted Uren on 13 December, prompting him to convene the Brisbane Committee, the first meeting of which was set for 16 January 1975.

The usual mechanism for administering the AIP locally in

other States was the Regional Organization of Councils (ROC), a grouping of the local authorities in a region, with no state government representation, set up primarily for the purposes of the Australian Grants Commission. Since the Queensland Government objected to this procedure negotiations were centred instead on the possibility of employing the Moreton Regional Coordination Council. Queensland had a set of regions designated by the State Government under its State and Regional Planning and Development, Public Works Organization and Environmental Control Act, 1971. Each region had a Regional Coordination Council (RCC) comprised of a chairman and at least four other members, the chairman being the Coordinator General or his delegate and the members being at least one representative from each local authority in the region⁶. Each council had a wide range of functions but was essentially an advisory body to the Coordinator General⁷. In the Moreton Region, which contained Brisbane, there was seventeen local authorities. It was DURD's view that the Moreton RCC would be an acceptable alternative to an ROC since, of its membership, only the chairman was not a local government representative and its use would resolve any constitutional or legal difficulties raised by the State⁸.

As the likelihood increased in January that DURD would be able to use the RCC for AIP purposes, so did it seem increasingly feasible to apply the proposal contained in the pigeonholed IRAP paper, to use the AIP regional administrative machinery as the basis of a coordination experiment. It was

thought that the Moreton Regional Council, in administering the AIP, could perform a broader coordinating task covering all the programs operated in the region by all three levels of government. An opportunity existed for DURD to attempt a regional experiment which would combine three strands of its work - on regions, on the AIP and on an urban and regional budget - under the auspices of an ad hoc Cabinet committee chaired by its own Minister. If the Queensland Government agreed to allow its Regional Council to be used for AIP purposes then, it was thought within DURD, the state should be more willing than otherwise to consider a more ambitious regional arrangement since one of its own agencies would be the central coordinating instrument. The Moreton Region was thought by DURD to be suitable for the experiment for a combination of reasons. First, the RCC regions throughout Queensland had been adopted by DURD⁹. Hence the area covered by the Moreton RCC was identical to that covered by the Moreton ROC. Secondly, a single local authority, the Brisbane City Council, dominated the region in a way that was unique in the Australian states, both because of its status as a metropolitan government and because of its overwhelming share of the regional population¹⁰. Thirdly, and most importantly, the council's mayor, Clem Jones, was favourable to regional schemes which enhanced the power and status of local government. He had urged that RCCs be given executive powers¹¹. He favoured strongly DURD's regionalschemes such as the AIP. Finally, there was a large, partly-completed study of the Region sponsored jointly by the Cities Commission and the Queensland Coordinator General's Department, providing a great deal of background information¹².

In proposing the coordination exercise DURD was seizing an opportunity presented by the fact that several ministers and their departments and authorities had been experiencing difficulties in establishing programs in Queensland. DURD was offering them a way both to achieve their program objectives and conform to the demands of the Government's urban and regional development policy. While opportunistic, it was a chance that DURD, which had seen SIDCURD reject the approach in its IRAP paper, could not afford to miss.

THE PRELIMINARY MEETING

There was a meeting of officials on 14 January 1975, two days before the initial meeting of the Brisbane Committee. DURD disclosed that its negotiations with the state government on the establishment of an Area Improvement Program in Queensland were at a delicate stage and would be completed within three weeks. If by then agreement on the program was reached, its administrative machinery could be used for wider coordination of the activities of all levels of government within the Moreton Region. If, however, the program did not proceed because of state government objections, a mechanism for bypassing the state government in providing federal support to the regional level should then be devised¹³. Although the representatives of most departments urged caution in the venture, their comments were directed primarily at the changes in the federal system inherent in developing a bypass mechanism rather than at DURD's coordination proposal based on the AIP. They feared severe

consequences, including possible legal action in the High Court, if local government's status were to be enhanced at the expense of state government and Section 96 of the Constitution were to be disregarded. Without approval for the Area Improvement proposal from the Queensland Government, Hayden's bypass suggestion presented a greater threat to the public servant's understanding of how Australia's federal system should operate within the bounds of propriety than did DURD's proposition. Since the entire initiative was being sponsored by a Cabinet committee, officials were forced to take it seriously. The meeting agreed on a draft set of proposals to be offered to the ad hoc committee of ministers. Those proposals, reflecting the mood of the meeting, were: that no decision be made until the outcome of negotiations on the Brisbane AIP were known; that if an AIP were to be established in the Moreton Region using the Queensland Government's RCC, it could provide an opportunity for a broader degree of coordination at the regional level; and that if negotiations were unsuccessful after a further three weeks the Minister for Urban and Regional Development should reconvene the Working Party on Regional Activities to determine a mechanism to implement Hayden's bypass suggestion¹⁴.

The Brisbane Committee met on 16 January. It decided that in view of Uren's claim that the AIP matter would be settled within three weeks he should convene a further meeting then, adding the Minister for Transport as a member and a representative of the Department of Prime Minister and Cabinet as an observer, to discuss progress in the Queensland negotiations and, if necessary, mechanisms to achieve

coordination as proposed by Hayden. It also agreed that a working group of officials from the departments of member ministers would meet prior to the next Brisbane Committee meeting¹⁵. Negotiations on the AIP proved successful with agreement that the Moreton RCC be the administrative agency. The newly-created working group of officials met on 5 February and under DURD's influence agreed in principle that the basis existed for coordinating the activities of all three levels of government in the Moreton Region, though the full cooperation of the state government was thought essential. It was decided that a more limited undertaking be tried initially, coordinating the efforts of federal departments and authorities only. When some success at coordinating their activities and spending had been achieved the other levels of government could be involved. Many working group members had reservations about the entire undertaking with a concern that "a coordinated regional approach would interfere with well established arrangements under which national functional program(s) were being conducted"¹⁶. The working group's report went as an attachment to Uren's submission to the 17 February meeting of the Brisbane Committee. With the bypass threat at least postponed, departmental representatives could address the dangers they perceived as posed by DURD's scheme. Their first objective, to remove the threat to the federal system inferred from a regional arrangement involving all levels of government and controlled by the national level through DURD, was quickly achieved with the agreement that the exercise be limited to the federal level, at least in its first stage. They then challenged the scheme for the way that it threatened to interfere with departmental

autonomy in the conduct of "national functional program(s)". Led by the Treasury, departments objected that existing administrative and financial arrangements for programs would be disrupted. DURD explained that the RCC "would be used as a mechanism for giving everyone involved a look at the total picture and how various programs related to one another" and promised that there would be no interference with existing program arrangements.

With access to the RCC secured, DURD could aim to finalise the nature of the venture along the following lines:

... to bring together 1975/76 programs of Australian Government in (the) Moreton Region and, as part of the Area Improvement process, to seek, through (the) Regional Co-ordination Council, co-operation of State and local government in creating an integrated program covering all three levels of Government. The purpose would be to identify anomalies, gaps, and possible shortfalls in resources so that various programs could be adjusted so as to benefit (the) region.

For 1975-76, as a first stage, the focus would be on federal level programs only.

From the officials' meetings it was obvious to DURD officers that the old problem of competing departmental interests would be a major obstacle to success. So aware were they of what departments with a different outlook on the Brisbane Committee to include in their cabinet decision a direction "that all Departments and agencies concerned co-operate to the fullest degree possible". The Treasury, often DURD's major antagonist, had two main objections to the draft report prepared by DURD on behalf of the working group. The

draft had proposed that the coordinated Australian program for the region be cleared through a Canberra IDC and that the RCC be the regional coordination mechanism. Counter-proposals from the Treasury were that there be no Canberra IDC and that the Queensland Government be involved directly instead of through its Moreton RCC. Both counter-proposals would have lessened DURD's involvement and shifted the exercise back to more traditional channels for federal/state relations dominated at the national level by the Treasury and Department of Prime Minister and Cabinet. DURD suggested a compromise on the IDC clearance issue with a "regional team made up of both Brisbane and Canberra based officers". No compromise was offered however over the RCC. To exclude local government, as the Treasury's approach would have meant, went against much of what DURD was attempting with its regional emphasis. Through the RCC, DURD felt its own hand would be strengthened in any negotiations with the State over future participation by the Queensland Government and local authorities in the region:

... we can expect a good deal of sympathy and support from local government under the leadership of Alderman Jones.

The Brisbane Committee at its 17 February meeting adopted the working group's report with the compromise IDC proposal. DURD had managed to beat off the early challenges, but there was still a way to go. Uren's Committee decided to establish a regional team of officials, both Canberra and Brisbane based, from some of the departments and authorities

with activities in the Moreton Region

to co-ordinate the delivery of Australian Government programs, if possible for 1975/76, in association with the normal budgetary process¹⁷.

Cabinet endorsed the Brisbane Committee's decision and expressed enthusiasm for a successful outcome to the experiment¹⁸.

In its consideration of the proposed exercise, Cabinet noted that if it was successful it could provide a model for regional co-ordination throughout Australia¹⁹.

A working group of officials to report back eventually to Cabinet through the Brisbane Committee was authorised by the Decision, to decide operational details such as the membership of the Regional Team and its terms of reference. When established the Team contained representatives from ten departments and one authority, with DURD in the chair. The terms of reference were as follows

1. Review the co-ordination and location aspects of projects and programs involving the Australian Government in the Moreton Region
2. Identify problems and deficiencies in these respects, and
3. Report on 1 and 2 to the Canberra-based working group.²⁰

The Regional Team met three times before producing its report, on 15 and 29 April and 19 May, with all meetings held in Brisbane. The decision to limit the exercise initially to the

federal level meant that the RCC, with its state and local membership, played no active part in what was proposed as the first phase of the coordination exercise.

The Experiment:Phase One, The Capital Budget

The Working Group established by the Cabinet decision had authorized DURD to request relevant information from Australian Government departments and authorities on their current and proposed programs, projects and spending levels in the Moreton Region. Information was requested of the number of employees, levels of direct capital expenditure and details of all private organizations²³. That information was first to be summarized for use by the Team "in its co-ordination activities" and secondly was to be used to "construct a forward budget for region as a further analytical tool in the co-ordination process". Considering the budget exercise first, even though much information had been gathered DURD officials associated with the urban and regional budget were disappointed:

An attempt was made to present a capital budget for Australian Government Authorities in the Moreton region for 1975-76. In the event, the exercise met with very limited success.

Priority was given to preparing a capital budget rather than a full expenditure budget because of time constraints and limits on the information immediately available. Tables were however compiled covering not only federal level capital expenditure directed specifically to the region but also part of the current

expenditure so directed, as well as capital and current expenditure in the region by the Queensland Government under programs which left the state to determine which projects were to be supported. From other sources, mainly reports of various Queensland Government departments and authorities, tables of state and local government spending of funds derived from other than the national level were also compiled. Details of expenditure estimates, capital and current, involving funds not originating at the national level would have been required in the full-scale urban and regional budget drafted by DURD.

The Capital Budget attempted by DURD was far removed from the originally intended three level full expenditure budget and contained only Australian Government capital expenditure in the region. This totalled \$146 million for 1974-75 and estimates for 1975-76 were incomplete. The limited nature of the Capital Budget exercise can be readily seen. If the state government's 1973-74 capital expenditure figure of \$138 million were included in lieu of the unavailable 1974-75 figure, the total expenditure for 1974-75 was in excess of \$586 million. More complete figures would have added many more millions to that total. DURD's Capital Budget tables, detailing expenditure of \$146 million in 1974-75, thus account for probably less than 25% of total expenditure in the region by all government levels. Even given the limited nature of the undertaking as demonstrated by the figures for 1974-75, the Budget exercise had a more serious problem. To be a budget at all there must be estimates of expenditure beyond 1975-76. So, the Capital Budget was no budget at all. The difficulty for the Budget exercise

was that it did not knit readily with the annual budget process. Cabinet required the exercise to be carried out "in association with the normal budgetary process". The very reason that the Working Group established by Cabinet Decision had authorized DURD's information-gathering was that information held by the Treasury, while suitable for a national, functional, annual budget, was not in a form suitable for a regional budget. Regional estimates did not exist and when their compilation was sought by DURD from individual departments and authorities the complexities of the undertaking soon became obvious. For many programs, sponsors felt unable to give reliable estimates. Some programs operated through applications for funds from local groups and since there was no way of predicting the number of applications or the levels of funds involved there was no reliable way of predicting the regional program outlays for 1975-76. For others, the annual budget timetable allowed some program estimates to be submitted late in the budget cycle and thus they were not available when requested by DURD. The Department of Services and Property, for example, finalized its draft programs for acquisition of land and buildings quite close to Budget time. It is surely somewhat ironic that the 1975-76 estimate by DURD for spending in the region on the AIP was listed in the table as "na", not available.

Phase Two, the Moreton Regional Team

DURD's Case

Despite the Budget's failure, officers of DURD's Federal

Programs Coordination Division, which was responsible for the AIP and for interdepartmental aspects of the Moreton exercise, including chairing and servicing Team meetings and promoting DURD's view, pressed on in the hope of developing the federal level component of an integrated activities program for the region. In an attempt to demonstrate the need for better coordination of Australian Government activities in the region DURD brought information on alleged deficiencies in the existing arrangements before the Team meetings²². Areas described as involving "potentially overlapping activities and lack of coordination" were identified. Community centres, for example, had been established in various areas with the assistance of the Department of Tourism and Recreation, DURD's AIP or the Australia Council. The potential for overlap had been registered in Canberra and the issue with the reference to community centres was being investigated by an IDC, while the wider problem of overlap in government grants was the subject of inquiry by another IDC²³. Community development officers, by whatever title, could be employed under various grants offered by a large number of programs: they were called Community Development Officers under the Area Improvement Program, Catalysts by the Interim Committee for the Children's Commission, Recreation Officers by the Department of Tourism and Recreation, Field Officers and Community Arts Liaison Officers by the Australia Council, Community Relations Officers and Area Improvement Officers by DURD and Community Liaison Officers by the Department of Social Security. The potential for overlap in child care programs operated by the Children's Commission, DURD

(through Area Improvement funds) Social Security and the Social Welfare Commission (AAP), Tourism and Recreation and the Australia Council (innovative education), was noted, as was that for various health activities.

The administration of information services, where nine different services were provided by ten departments and authorities, was suggested as an area in need of coordination. Care of handicapped people, where existing machinery of the Standing IDC on Rehabilitation, the National Advisory Council for the Handicapped and the Special Cabinet Committee on Rehabilitation, had not prevented the fragmentation of services, was suggested as an area in need of rationalization.

It was suggested too that having different regional organizations for the various programs would do little to help solve the difficulties associated with potential overlap and lack of coordination. DURD's AIP was to use the Moreton Regional Coordinating Council, the Australian Assistance Plan was administered through Regional Councils for Social Development, while the Grants Commission had its Regional Organizations of Councils.

Actual cases of program overlap and lack of coordination causing problems had been recorded in the evidence of both the Coombs Royal Commission on Australian Government Administration and the Queensland Disaster Welfare Committee. This evidence, though slight and anecdotal, was brought to the attention of the Team. There was also the suggestion that activities under a

number of programs, including those on school libraries, school building, school innovations and child care, would be of interest to other departments and authorities. Regional consultation was urged as the way to spread program awareness.

Another point in DURD's case was that Australian Government counter services and community facilities were planned in consultation. For example, post offices and offices for compensation, social security, employment services and legal aid were planned and developed with little concern for relative locations. The other aspect of the location issue was that substantial government projects were planned without sufficient consultation with DURD and thus without sufficient attention to the detail of government urban and regional development policy. Examples given in the Moreton region were the new Customs House, Superior Court Buildings and the Adelaide Street Australian Government Centre, all in Brisbane.

DURD suggested that a comprehensive survey of community needs in a number of social welfare areas should be undertaken to supplement existing survey results and give a more complete picture of the types and levels of government services likely to be most useful. All survey research would need to be regionally coordinated and findings discussed by regional agencies. That process, it was argued, would enable programs to have more precise objectives, particularly if a comprehensive regional strategy involving social, economic and physical planning were devised. The Moreton Region Growth Strategy Investigations,

undertaken by the Cities Commission and the Coordinator General's Department, or the Brisbane Council's City Plan provided two possibilities for such a strategy which, to be successful, had to be acceptable to all government levels. DURD closed its case with the claim that regional administrative machinery was vital to bring the benefits of coordination by considering collectively Australian Government projects as well as the links between federal initiatives and those of state and local government.

Much of the DURD case was based on two implicit propositions, that things could be better if better coordinated and that the DURD scheme of common regions with regional budgets, strategies and appropriate administrative arrangements was the way to that better coordination. The first is a desideratum of government officials, one of the central tenets of the administrative faith. Not surprisingly therefore, the Team concluded and reported that better coordination of federal funds and services was necessary; that effective coordination required planning, which required an overall strategy and a complete assessment of needs in the region: that administrative machinery to dovetail the activities of the three government levels "was desirable"; and that there was a need to be able to project Australian Government programs some years ahead to aid the planning of other government levels. All of these conclusions suggest a cooperative, progressive approach by the Team. But it was only at this level of principle that agreement was reached. It cost a department nothing to declare such sentiments.

The Case Against

Severe differences appeared when DURD's second implicit proposition was considered, the "how" of the first proposition so unanimously affirmed. The proceedings of Team meetings revealed a catalogue of the problems facing any attempt to introduce regional planning. There was the challenge to state government and to the dominant understanding of federalism inherent in DURD's notion of regional planning. The Queensland Government had agreed to allow a RCC to be used not only for DURD's AIP but also for its National Estate Program and was also considering permitting the recreation projects of Tourism and Recreation to be similarly administered. It had no intention, however, of allowing the RCC to become the basis of a form of regional government:

There is no prospect that the Regional Co-ordination Council structure will become a "Regional Government" in the classic sense. Firstly, this would require the complete repeal of major legislation and secondly, "Regional Government" is completely opposite to the spirit and principles which constitute the basis of Regional Planning in Queensland as expressed by the State and Regional Planning and Development, Public Works Organisation and Environmental Control Act 1971-73.

The major principle underlying the Act is that the existing functional organisations are best suited to contribute to the formulation of regional policies and to the implementation of these policies²⁶.

Team members realised the seriousness of this federal/state difficulty for DURD's proposal and it was used by them as an

argument against innovation. The fact that the exercise was confined to the national level when so much expenditure involved the state government was also used against the scheme²⁵.

The second objection was that all departments and authorities with activities in the region had existing arrangements for liaison with state and local government and were loth to undertake the work and cost of change when reasonably satisfied with those arrangements. In some cases change would have required amendment to legislation and conflict with the Queensland Government. The Department of Transport, for example, operated programs in the region which would have been so affected. Under the State Grants (Urban Public Transport) Act 1974 the Brisbane Metropolitan Transit Project Board, dominated by state government representatives, was established. It discussed projects in the Urban Public Transport Improvement Program devised under the Act, as well as the study program associated with the Transport (Planning and Research) Act 1974. A similar arrangement was proposed in section 12 of the Roads Grants Act 1974 to discuss the roads program under both that Act and the National Roads Act 1974. Such arrangements would be difficult to change even if the Australian Transport Minister were favourable, unlikely in the circumstances.

Drawing a single set of regional boundaries which suited the wide range of activities undertaken by various federal departments and authorities was difficult and was the third area of objection to DURD's scheme. Boundaries which suited

administration of the AIP may not have been satisfactory for the AAP or the organization of telecommunications services by PMG or the delivery of community health services by the Department of Health and the Hospitals and Health Services Commission, and so on. Through a series of bilateral negotiations and IDC meetings, DURD had been attempting for some time to resolve many such difficulties at the Canberra level.

A fourth problem concerned the ability of particular departments and authorities to plan their activities and expenditures. For example, the Department of Services and Property, while able to plan office space constructed by or for the Australian Government, claimed to be limited by a lack of notice of government initiatives which required office space urgently. In such cases as the creation of Medibank, the accommodation needs were met by ad hoc leasing. Further, as already discussed, the annual allocations for some programs, involving capital or current spending, depended on clients' bids and could not be known in advance.

Finally, it was pointed out that the Australian-State Regional Relations Committee, another of Cabinet's new ad hoc committees, and its associated Officials' committee were developing guidelines on regionalism²⁶. As well, the Coombs Royal Commission had a Task Force examining possible models of regional administration²⁷. In the light of those continuing efforts it was suggested that Cabinet was far from committed to the approach championed by DURD. These five problems dominated

dominated the Team's discussions.

Outcome

The scepticism of Team members showed in their conclusions on how better coordination might be achieved²⁸. While all had agreed on the need for an overall strategy to aid planning there was no chance that members would agree to proceed according to a strategy observed by federal departments and authorities only. Any strategy had to be accepted by all levels of government. An insistence on this point, a desirable end in itself, effectively meant a long postponement in the use of any strategy other than those already applied by individual departments and authorities. On the proposal that survey work be done to produce more complete information on needs within the region it was concluded that those agencies which had not done adequate survey work should do so. Instead of a single coordinated survey providing information for all members as a basis for consultation there would be a number of gap-filler surveys supplementing existing work, each reflecting the particular interests of its sponsoring agency.

The issue of administrative machinery to achieve the coordination desired by all created a chasm between DURD and other Team members. What was concluded was one proposal for the long term and another for the short term:

In the long term the following techniques might be

considered: judiciously adding to the number of Australian Government programs administered through the Regional Co-ordination Council; the pooling of information on the activities of all three levels of government and its examination jointly by the Regional Co-ordination Council and Australian and State Government officers; the preparation, in consultation with the Regional Co-ordination Council, of a regional submission to the Australian Government; joint consideration of a comprehensive regional budget concept and use of an association of Regional Councils for Social Development as the machinery for co-ordination of social welfare programs in the region.

This scheme required the cooperation of the State Government in permitting an expansion of the responsibilities of the RCC which was unlikely given that the Co-ordinator General had already spoken against it. Any special role for DURD was not favoured. The prospects for a regional budget were bleak, while an association of RCSDs would have competed with DURD's scheme of coordination. The delay inherent in implementing such arrangements, if they could ever be achieved, was lengthened by the further requirement that discussions on them should not be undertaken with the Queensland Government until the outcome of talks between the state government and Australian-State Regional Relations Committee officials were known and until a detailed examination were completed of how "the problem of projecting Australian Government expenditures forward some years could be overcome".

It was conceded that where programs provided localised or community services or financial assistance, they needed to be coordinated regionally in the short term. Machinery proposed for that task was a set of three committees operating under the oversight of the Moreton Regional Team. The first, Health/Welfare, and second, Education, Culture and Recreation,

each had nine members with Aboriginal Affairs, Social Security, Housing and Construction and DURD common to both. Each was responsible for a range of programs and both had similar terms of reference in their different policy areas. The third committee, Accommodation and Siting, had Housing and Construction, Services and Property and DURD as core members, with any other interested bodies invited to participate. Four of the Team members, Defence, Transport, PMG, and the Cities Commission, took no part in the activities of the three committees, while those departments and authorities on the committees which were not previously Team members, DAA, DTC, DRC, HHSC, SWC, Australia Council, Children's Commission and Schools Commission, could join the Team if desired. In all, nineteen agencies were involved in the Team and its committees. When it is remembered that another seventeen departments and authorities which were mentioned in the Team's report as having activities in the region did not participate in the exercise, some idea of the unmanageable scale on which things might have been and the magnitude of DURD's task can be gained²⁹. The three committees were to operate on a trial basis for a year with any problems between them to be resolved by having DURD as a member of all and through the oversight of the Team. DURD's only other specific task would be to provide necessary support staff for servicing the committees.

It was "expected" that if properly conducted the short term machinery would achieve the following: "clarification of objectives and responsibilities"; "proposals for urgently needed assessment of needs"; "an integrated program of Australian

Government community assistance (say by September/October)"; "feasible proposals for grouping and integration of counter services"; and "joint training arrangements for, and effective liaison between, counter staff"³⁰. These were high aims indeed for an arrangement which was nothing more than an IDC with three working parties, all IDCs. Whenever, in its short history, DURD attempted an expansion of its coordinating role it seemed to end as chairman or member of one or more new IDCs. The Team's expectations were not fulfilled. The proposed structure was adopted but the proceedings of the committees were bogged down by interdepartmental differences³¹. No substantial progress was achieved by the time the Whitlam Government was dismissed in November 1975, when the exercise lapsed.

An Assessment: Committees, Ministers and Cabinet

The achievements of the Moreton exercise were minor indeed³². 'Bureau of Budget' officials in DURD did claim that the information collected by survey under the auspices of Cabinet's decision of 17 February was useful in that it would help in the construction of an historical profile of expenditure in the region:

It was felt that even an historical picture of where expenditure was going in which areas and who was spending what would, in the long term, be helpful in building up regional budgets.

That was a long way short of the ideal budget involving expenditure estimates of three levels of government and even some distance from a budget with estimates of federal level spending in the region. Things went even more disastrously for the coordination exercise in the Team meetings. A spin-off benefit was that officials from various departments and authorities operating in the region met one another and discovered what others were doing. So, there was a slight gain, but hardly enough to justify the exercise: "in my terms, of coordination, the thing was a total failure".

The exercise had been initiated by a Cabinet Decision and there was an ad hoc Cabinet Committee in ultimate control. It might be wondered how the initiative failed so badly. From the beginning the regional experiment was viewed by other departments as a DURD scheme. It had been rather assumed by the DURD official with active responsibility for the Team's meetings and report that representatives from various departments would welcome the opportunity to discuss the introduction of a superior form of coordination which promised to disclose program gaps and overlaps and ensure a better delivery of funds and services to clients. He was greatly disappointed. Meetings were characterised by lively and, at times, acrimonious debate. Brisbane-based officials were resentful of the interference of Canberra officials in their bailiwick. Most representatives, wherever based, were contemptuous of what was seen as an attempt by DURD to exert control over the activities of other departments. In that light, DURD's efforts were seen as interfering, unwarranted and unwanted. Underlying the arguments

against DURD's proposal was a deep-seated unwillingness on the part of most participants to encourage DURD's efforts. As a DURD official lamented: "We expected cooperation and got the opposite"³³. Team members could not see any necessity to change their existing arrangements to accommodate what DURD thought best. The challenge to DURD was "show us why you think things do not work now".

It was a challenge DURD could not answer. Implicit in the Moreton exercise and most of its other efforts was DURD's belief in the superiority of the rational view. In quite an abstract fashion it had decided that the solutions to various problems, particularly in the capital cities, were concerned with better resource allocation on a rational spatial basis. This led to the derivation of paper regions as the appropriate spatial element. Strategies, national and regional, incorporating economic, social and physical planning for community needs, were to be produced, as were integrated regional programs of the activities of all government levels, with regional expenditure budgets to match. Regional coordination bodies would make the whole system operate, efficiency was central to the whole approach. The Moreton exercise was an application of that approach.

Much of DURD's case for regional financial planning as put to the Team meetings was based on alleged potential difficulties if central coordination were not strengthened and alleged benefits if it were. There was little evidence of actual difficulties and certainly insufficient to demand the

planning overlay being pushed by DURD. In resisting DURD's scheme other departments were asserting their autonomy against a department they saw as seeking to upset their established patterns of operation for the wildly idealistic purpose of introducing integrated regional planning. The same DURD official had mixed feelings about the proceedings. On the one hand he deplored the uncooperative behaviour of members: "The whole thing just fell apart because of old departmental jealousies". On the other hand he understood how DURD invited criticism:

We had thought up the solution before we had discovered what the problem was DURD was like that. It was fairly authoritarian. It knew what was best. So much was so badly thought out.... We were approaching things theoretically, saying it must be better having things in a region nicely coordinated but we had no real idea of the problems on the grounds.

The question arising from this mixed reaction to Team proceedings is whether, even if DURD had presented a well thought out scheme, its reception by the Team would have been any warmer.

The Moreton Team's proceedings and first report revealed two very different types of difficulty facing DURD's regional scheme. First were the openly stated difficulties associated with projecting expenditure estimates, establishing uniform boundaries, gaining state government support, persuading federal departments and authorities to shift the emphasis of their liaison activities from a state to predominantly regional basis

and reaching an accommodation with competing schemes developed by the Coombs Royal Commission and the ASR Committee. Though presenting problems, none of these difficulties was technically insuperable: overcoming them, however, required the goodwill and support of other parties, mainly federal departments and their ministers. That suggests the second type of difficulty which amounted to a rejection of DURD's efforts at coordination and an implicit denial that DURD had authority to undertake a leading role in such activities. The second type, apparent in the high level of hostility shown towards DURD, was the more damaging to DURD's plans. It used difficulties of the first type, real though they were, as ammunition against DURD's scheme.

The inescapable conclusion is that the immediate cause of the experiment's failure was bureaucratic opposition. Such opposition is a normal part of interdepartmental relations in Canberra. It is generated whenever central or other departments disagree strongly enough with another department's proposal. The key issue is whether in any particular case the opposition is justifiable, reflecting ministerial stances or merely the competition between bureaucratic and political wills.

CONCLUSION

It might be thought that the experiment, sponsored by a Cabinet Decision and with a Cabinet committee to oversee it, had sufficient political support to be successful, at the federal level at least. That kind of support is deceptive. The Cabinet Decision did not order implementation of DURD's scheme, merely

examination. There is a vast difference between telling officials to test the feasibility of something and directing them to implement it. The first is an invitation to find fault, which officials will do according to their own departmental lines, and suggests mere Cabinet interest in a subject: the second indicates Cabinet commitment despite problems of implementation. In any case, Cabinet Decisions are open to interpretation and a department is inclined to take the interpretation which best conforms to its own view. There is thus room for officials to manoeuvre without disobeying the political masters even when acting as a result of a Cabinet Decision. The wording of the 17 February Decision did nothing to inhibit departments in resisting DURD's scheme. As for the Brisbane Committee, it was so remote from activities at the official level that its effect was minimal. After its initial involvement with the Cabinet Decision, Uren's committee seems not to have met again, leaving everything to one or another IDC. Having Uren as chairman was thus of little use to DURD. It is clear that in this case there was no need for officials to resist Cabinet since it was entirely within their brief to sink the scheme.

DURD had attempted to use the AIP as a device for positive coordination of policy and resources. It was quickly driven back to a negative coordination situation, involving an IDC, in which it was assailed by competing interests. The attempt to use a program to coordinate deteriorated for DURD into just another fruitless IDC exchange where the nature and

extent of DURD's jurisdiction was implicitly the main topic for discussion. On that there could be little agreement. Uren was ineffective in the matter even though he chaired the Cabinet committee, which probably indicates the low level of support within the committee for what Uren and DURD were seeking to do. Once again there seems to have been a close correlation between Cabinet attitudes and those of the official level service-wide.

The other aspect was that with the failure to construct a regional budget in the Moreton Region, DURD was certainly incapable of realising the general concept of regional budgets. In turn, this meant that a National Urban and Regional Budget, always presented as the major institutional tool in DURD's coordination strategy, could not be constructed using regional budgets as basic building blocks. DURD had, simultaneously with the regional budgets exercise, embarked upon a scheme designed to give it control of a sector of spending in the annual budget cycle. This last hope for DURD's financial control aspirations is treated in the next chapter.

CHAPTER SEVEN

BUDGET SECTOR CONTROL: CHALLENGING THE TREASURY

In this chapter aspects of the relationship between DURD and the Treasury are explored. Slight attention only is given to the detailed operation of Treasury's financial control to which DURD in common with all other departments was subjected. The focus is rather on DURD's efforts to develop a strong economic capacity and especially its attempts to gain Treasury support to have the Whitlam Government implement medium-term assessments of the capacity of the economy (MTA) and upgrade forward estimates of government spending (FE).

It is argued that DURD did not wish to usurp Treasury's economic advice to Cabinet role nor even to compete with Treasury in that role. DURD's development of an organisational capacity in economics and statistics with a skilled staff was designed to bring it a sectoral control over resource planning and spending in the field of urban and regional development¹. Hence it wished to coordinate relevant activities of a number of other departments and to urge Treasury to take an interest in planning. DURD aspired to a share of Treasury's financial control capacity, within an identified sector of the economy. It sought to structure itself between Treasury and a group of spending departments.

DURD sought a sectoral control role through two main devices: an urban and regional budget incorporating FE and MTA aspects and represented by its own paper among the set of Annual Budget papers; and DURD as a 'peak' department in an urban and regional 'block' or sector of the economy. These devices were resisted by Treasury which wanted no planning, no competitors and no troublemakers and would have been happy to see DURD's demise. It is true that Treasury was cooperative with DURD on occasion. But this was the case only where the ventures were perceived as not threatening to Treasury power and prerogatives.

At no time did DURD have the information resource capacity to rival Treasury in giving economic advice. Having the best economists is of little use without guaranteed access to necessary information. Confusion on the matter of DURD's ambitions as economic adviser arose, not only from the nature of its organisation and the quality of its staff, but also from events surrounding the 1974 Budget about which more is said later.

It would be to oversimplify Treasury's worldview to see its resistance to DURD as based solely on defence of its own jurisdictional prerogatives, although this was one factor. DURD's proposed sectoral resource control role in an upgraded Budget framework challenged Treasury's understanding of the proper workings of Australian government and appeared to it as a bid by an overly ambitious program department for a role to which it had no right.

The Treasury:

Treasury's role prior to the second world war was restricted mainly to financial control and accounting. Its concerns were predominantly procedural - probity, economy and efficiency in government expenditures. The war and Keynesian economics brought economic policy to the fore. But Treasury's approach was cautious and conservative. It came to oppose economic planning and to advance free market options against interventionism. It moved carefully among the difficulties and uncertainties of economic advice, preferring to minimise mistakes rather than leap into the unknown. It preferred the annual budget framework to forward planning. It opposed fiercely all bureaucratic competitors in the field on grounds of ideology and expertise, fearing excesses of interventionist adventurism from departments like Trade. It argued that economic expertise should not be duplicated or spread too thinly across other departments, and that Treasury alone was capable of developing the necessary skills, resources and experience. It also claimed a special status, 'above the battle', and argued that all other participants were biased and not reliable. It challenged the activities of other departments with an air of moral superiority, a strong record of modern success, and a near monopoly of economic knowledge and skills.

Retention of the financial control role was vital to Treasury's aims². It provided Treasury with a valid reason for being involved in any interdepartmental committee with subject matter touching on spending, which certainly included

all policy IDCs. Financial control was thus a way into policy coordination. Treasury could legitimately claim to be a department central to government. Its position required it to resist moves to split the two functions of economic advice and financial control, ensure no institutional competitors were established to advise, or if they were, that they did not thrive, and purge all attempts at economic planning. This, to be pursued as far as the political will of the elected masters would allow, was Treasury's hidden agenda. Its weapons were its status, financial control, economic and administrative skills of its officers, control of strategically important information, such as forward estimates and its own forecasts which it could hold to itself, and its power to intervene at many places in the decision-making process to exert influence, often decisively. This was the Treasury which faced the newly-created DURD in December 1972.

Treasury and Planning:

The Treasury could point to the success of its advice and therefore of its whole approach up to and including the 1960s. Its tradition and record provided the basis for confidence to regard as wrongheaded and inappropriate for Australia's economy any scheme which sought to commit government resources in anything other than the short term. Any attempt to establish planning structures was resisted and defeated. The classic example of this was the part played by some senior Treasury officials in having the government reject the central recommendations of the Committee of Economic Inquiry (the Vernon

Committee) in the 1960s¹³. Proposals for a Special Projects Commission and an Advisory Council on Economic Growth were attacked by these Treasury officials, supported by colleagues in the Prime Minister's Department, as threatening the free enterprise nature of the economy. The Prime Minister, Mr R.G. Menzies, agreed. For some time the report was suppressed and its recommendations were never implemented.

The view within Treasury had not been against looking ahead but rather against looking ahead too far and making financial commitments which bound the government for longer than the short-term. By its nature, a plan is a multi-year scenario: Treasury was against planning in that sense. In the early 1960s, one of Treasury's bright young people, John Stone, who later became Treasury Secretary, headed its Economic and Financial Surveys Division within Maurice O'Donnell's General Financial and Economic Policy Branch¹⁴. O'Donnell, whose premature death allowed Sir Frederick Wheeler to become Treasury Secretary, had encouraged Stone to experiment with forecasting and econometric techniques. Even that kind of exercise, concerned as it was with analysis and not planning, (which Stone himself distrusted) was viewed sceptically by some senior Treasury officials. When O'Donnell was appointed as Australia's representative on the IMF in 1965, Stone's shield was gone⁵. It became increasingly difficult to carry on that aspect of his work and he was happy to leave Canberra temporarily in 1968 to replace O'Donnell in Washington⁶. With Stone out of the country, Sir Richard Randall, Treasury Secretary, abolished Stone's old division in the 1969

re-organisation of Treasury⁷. Gone was the single administrative unit in Treasury which had been concerned with anything but the short term.

The anti-planning philosophy, often referred to as an ideology, was strongly entrenched just prior to the election of Whitlam's first government and persisted during and after Labor's term of office. Of efforts by DHC, beginning in 1973, to introduce indicative planning for new dwelling commencements, one leading actor commented:

Even the Indicative Planning Council ... was not much of an expansion. Treasury was too much against it. John Stone, in particular, loathed it⁸.

The ideology has not altered after the fall of the Whitlam Government in November 1974, nor after the splitting of Treasury just over a year later. In evidence before the Committee of Inquiry into the Australian Financial System (Campbell Inquiry) in November 1979, Stone, by then Secretary of Treasury, and his colleagues restated the 'faith of their fathers'⁹. P.P. McGuinness records that Treasury

continually makes submissions to public inquiries and similar investigations reiterating at verbose length its firm belief in non-intervention and market forces¹⁰.

Nothing had changed through the 1970s in Treasury's dominant ideology.

DURD/Treasury Relationship:

Among second division officers of DURD there was a wide range of opinions about the Treasury and the extent to which it had been a help or hindrance to DURD. One referred to 'those bastards' who did all in their power to 'destroy DURD'¹¹. Others in a similar vein referred to the 'ideological conflict with Treasury'¹² and 'intense conflict with other departments, especially Treasury'¹³. Others again, while admitting that Treasury caused many problems for DURD, thought that it had been 'doing its job' and generally had been 'helpful' to DURD¹⁴. Yet another, with little retrospective sympathy for what his department had tried to do, commented:

It is fair to say that Treasury regarded a lot of the DURD programs as pie in the sky stuff and one way they tried to deal with this was to be obstructive and to beat DURD down and to try to save the taxpayer a lot of money. Good on 'em!¹⁵.

There is no disagreement that there was conflict between the two departments and that the conflict inhibited DURD in achieving its goals. Where there is disagreement is over whether Treasury should have resisted DURD's efforts.

It is helpful to see the relationship in two parts. In the first, DURD was just another spending department having to suffer Treasury scrutiny in establishing and funding programs¹⁶. Its dealings were mainly with the Revenue, Loans and Investment Division and the Transport and Industry Division, two of Treasury's supply divisions. The focus was on the traditional Treasury values enshrined in a ritual concern for proper process. All departments have had bad experiences with

Treasury's financial control and resented the delays, amendments and loss of funds which resulted¹⁷. Conflict here is proper and inevitable. In the context of the vertical control relationship, the behaviour of both parties, as well as the outcome, is predictable, and while there is interference in other jurisdictions the issue of overlap in jurisdictions does not arise. This thesis is primarily interested in the less predictable aspects of the DURD/Treasury relationship. (An outstanding program study and a more general study already exist¹⁸. However, it is a common complaint against Treasury that it goes beyond its proper role in allowing its economic policy preferences to affect its stance on matters of proper financial procedure.

In the second part of the relationship, Treasury and DURD were on slightly more equal terms. DURD sought to control resources expended in what it regarded as an urban and regional development (URD) sector of the economy and wished to see institutional devices developed as a framework for Budget formation, such as an URD Strategy, URD Budget, forward estimates of proposed spending patterns (FE) integrated with the annual Budget, and medium term assessment of the capacity of the economy (MTA). DURD wanted Treasury as an ally in its scheme and insisted that Treasury was to have an unchallenged overall control. It is this second part of the relationship that is the focus of our discussion in this chapter.

DURD's Economic Advice Capacity: A Challenge?

There were several institutional sources of economic advice for the Whitlam Cabinet but, unlike Treasury with its comprehensive perspective, they were all sectoral in focus¹⁹. The Reserve Bank focussed on banking and monetary matters. With the Secretary to the Treasury as a member of its Board, the Reserve tended to travel in harness with Treasury²⁰. The Arbitration Commission was given the task of keeping the industrial peace, so in fixing wages it did not necessarily agree with the Treasury perspective²¹. Nor did the Industries Assistance Commission in its reports and recommendations on the levels of government assistance to sections of industry²². These were all statutory bodies with specific tasks and some influence but without the capacity or desire to challenge Treasury's dominance across the range of economic issues.

Treasury felt it should have no institutional competitors in offering macro-economic advice. Was DURD challenging Treasury in this area? Treasury seemed to think so, a position no doubt brought about by early statements of DURD's ambitions²³, difficulties between the two departments in the first few months of government²⁴, the strong economic element in DURD's organisation, events surrounding the 1974 Budget, DURD's attempts to develop a Medium Term Model of the economy and related work on financing investment in the medium to long term.

There were three DURD Divisions the very existence of which Treasury could have been expected to be suspicious: Urban

and Regional Budget, whose title was soon changed to Resource Allocation²⁵; Urban Economic and Resource Planning²⁶; and National Urban Development Strategy²⁷. Together, they formed what some people involved with the department's genesis liked to refer to as a 'Bureau of Urban Budget'²⁸. In their different and complementary ways these three divisions were responsible for any involvement DURD might have with economic forecasting and planning, urban and regional budgeting and reallocation of resources. Even though DURD had both the organisation and personnel with the required mix of economic and statistical skills to carry out the same kind of work as Treasury's GFEP Division, DURD was at no time a serious threat to Treasury's economic advice role²⁹. Nor did it intend to be.

The events surrounding the 1974 Budget also presented a misleading picture of what DURD tried to do. In fact, the 1974 Budget was an exceptional event, when Cabinet turned, via Uren, to one or two DURD officers for alternative advice. DURD had no ambition to have its 1974 role institutionalised. The events surrounding that Budget are splendidly recounted and explained by Hawker, Smith and Weller³⁰. What those writers do not explore, understandably, is the nature of DURD's contribution.

Some of DURD's senior officers were well qualified and experienced in economic matters, and had been filling Uren's requests for guidance on Submissions to Cabinet with economic implications. In the uncertain economic climate of 1974, Treasury recommended a large Budget deficit to produce a 'short sharp shock' of increased unemployment to control inflation.

Most ministers resisted that approach strongly. Uren had his officers analyse every Submission to Budget Cabinet to ensure that DURD received every available dollar. In addition, Uren had his officers construct their own forecast of the economy for the coming year in an attempt to produce an alternative Budget strategy to that being urged by Treasury. DURD had no developed econometric model for this work. Indeed, it would not have had a great deal of the information necessary to produce useful forecasts from a model. Its approach was much less sophisticated though very effective. In doing what has been called 'back-of-an-envelope forecasting' of the Australian economy³¹, officers in the Urban and Economic Planning Division adopted a line by line approach to the National Production Account³². By informal methods they established what the bottom line (the GNP) and the investment lines, which affected the building and construction industry, were. With these forecast figures, similar to the Treasury and Reserve Bank short-term forecasts which had no circulation within the bureaucracy, DURD knew what it could reasonably claim in its Budget bids as being feasible within projected economic conditions. The 'informal methods' consisted of a DURD official, after establishing an intelligent approximation, telephoning a friend in the Reserve Bank or Treasury and asking whether '\$X' was 'wildly astray as an estimate' of the line in question. If the initial answer were 'Yes!' a refining process would be followed until a 'No!' were achieved. While not getting the exact figure, the DURD official would have an approximation of the official estimate with which he could proceed with confidence.

This economic work proved useful to Uren and, through him, Cairns and the rest of the Cabinet in the mini-Budget of mid-1974 and again in the Budget deliberations. The key DURD official in producing the alternative Budget advice was Dr Michael Keating and it is a measure of the flimsiness of DURD's capacity for such advice that when he was overseas in late 1974 DURD was not consulted about the year's second mini-budget³³. DURD had no model of the economy nor much of the required information to produce reliable forecasts of the economy to compete with those of Treasury. It was Keating in a personal capacity, though with the assistance of DURD resources in most cases, who was the main source of the alternative advice, rather than any institutional capacity within DURD

In late 1974 DURD began developing a Medium Term Model (MTM) of the economy to produce medium term (5 years) forecasts³⁴. These forecasts were to be used in conjunction with the urban and regional budget. An initial exercise in September compared forecasts from a Mark I model with a projection of trends from the previous ten years with the aim of gaining some understanding of the relationships among national account aggregates over the longer term. DURD was interested in assessing the resources available for investment, as public capital investment and as public and private investment in housing and construction.

By early 1975 a Mark III model had been developed³⁵. It was used in a new attempt at forecasting using the population

data from the Borrie Report, which projected a lower growth rate than did the higher population projections used in earlier DURD forecasts. The various forecasting attempts were aimed at producing a sophisticated tool for economic analysis and forecasting. It was expected that the process could take several years. Here again, Treasury's suspicions must have been raised by DURD's efforts to produce an MTM. Once again, they would have been wrong about DURD's intentions, which were to use the model for sectoral purposes. DURD wanted to develop strong arguments for program funds, based on reliable MTM outputs, able to challenge the arguments of Treasury. It was to be the advanced 'number crunching' of DURD against that of Treasury in the belief that the more rational the argument the more funds that would be agreed by Treasury³⁶.

Work on the MTM led into a long-term project in DURD, the Financing Investment Exercise, with a time frame of 3 to 10 years³⁷. It was based on analyses of the relationship between demand for and supply of resources, particularly in the housing and construction industry. Much effort went into calculating the capacity of the industry. By projecting that theoretical capacity forward and comparing it with projected demand,

there logically followed the concept of a gap between actual demand and potential supply in the industry³⁸.

The important thing about the gap was that DURD intended to use it in arguing with Treasury over the rate at which funding could be built up in the Budget. Once again, although DURD's aim was

to be better equipped to 'take on' Treasury over program funding levels, it was not a challenge to Treasury's role.

Urban Budget Paper:

Officers of DURD's Urban and Regional Budget Branch arranged in early 1974 to produce an URD Budget Paper as an addition to the existing eleven papers. Treasury officers, though initially sceptical of the exercise on grounds of shortage of Treasury resources and an unwillingness to let copies of computer printouts out of the Treasury building, relented when a senior DURD official said he required no other assistance than a desk in a corner of Treasury and access to the printouts, since he knew where to look for the information he needed. On this basis Treasury was cooperative and the extra Budget paper was produced³⁹. Despite the fact that the exercise took place during the unpleasantness between DURD and Treasury over the 1974 Budget, the DURD officer in charge of work on the URD Paper was not conscious of 'any extraordinary measure of retribution from Treasury'⁴⁰. In fact, the exercise was repeated for the following year⁴¹.

The Urban Budget Paper was one of the few tangible results of all of DURD's economic efforts. Even so, it was not a very significant document, being mainly an alternative way of compiling budget information to show expenditure from an urban and regional development perspective. With its explanatory text, it was essentially a symbolic document aimed at demonstrating the importance of URD as a policy field and

showing what had been achieved and what was planned. It was, of course, meant to be eventually much more than that. DURD hoped it would be an important element in the Budget, a crystallisation of initiatives and achievements in the urban and regional development strategy and budget, the medium term assessment and the forward estimates. Without these basic elements, the URD Budget Paper was a hollow document and for Treasury to allow its production was not a significant concession to DURD and its intentions.

DURD's Plans for Planning - A Challenge?

It was not until early 1975 that DURD was ready to urge Treasury towards a greater interest in economic planning. Filling the positions available in the economic divisions had been a slow process and there were still vacancies at senior levels in 1975⁴². Nevertheless, much had been achieved of a preliminary and developmental character, such as the production of the MIM and the Urban and Regional Budget Paper. In addition, comments on every 1974 Budget Submission had been prepared for the Minister who had also had great support from Keating and others in helping to shape that Budget. All of this had brought confidence to DURD that it could convince the Government and Treasury of the need for and possibilities of planning in the modern economy. The need had seemed to be borne out by the uncertain state of the economy which had brought two mini-budgets in the one year and had seen the Prime Minister establish an ad hoc Cabinet Committee to trim government

spending⁴³. Uren was a member of this committee and his department was represented on the parallel officials' committee. Treasury was in eclipse following the 1974 Budget and Crean had been replaced as Treasurer by Cairns who was more open to notions of planning, more distrustful of Treasury, and grateful to Uren for sharing with him economic assessments and recommendations emanating from DURD at Budget time.

DURD formulated proposals for a more rational approach to the economy. The views of Uren and his senior officers on what was wanted in the area of medium-term economic and social planning were contained in a draft Cabinet Submission, a copy of which was passed to the Treasurer on 25 March 1975. The draft rehearsed arguments for the introduction of a comprehensive approach to planning by an Australian Labor government, beginning with the 'long standing philosophical commitment to economic and social planning' (para. 1) of the Labour Movement. The Labor Government, after more than two years, did not have what the DURD draft called 'a proper planning approach'. This lack resulted in a

much less than adequate understanding of such questions as the interconnections between policy effects in one field and policies in another and the optimum rate of change towards our objectives (para. 1).

This lack had also led to ad hoc policy responses such as the Scheme for Special Assistance to Industries in Non-Metropolitan Areas (SANMA) and the creation of the Structural Adjustment Board (para. 2).

An even more important area suffering from the lack of medium-term planning was public expenditure. The draft argued that public sector resources had to be used effectively and that further resources had to be shifted to the public sector as they became available since

any structural change in the economy should be carried out at a rate consistent with maintaining the private sector on a path of continuing growth and prosperity (para. 3).

Only an effective planning approach would allow priorities to be established and assessed within the public sector while ensuring that public expenditure did not unduly restrict the competing claims of the private sector.

The draft proposed two primary tasks in improving 'the government planning capability within the framework of existing institutions and departments:

... a medium term (say 5 years) assessment of the competing demands placed on the country's resources by public expenditure, exports, private investment and consumption, the interconnections involved, and the major structural changes implied by different policies.

a review of Government policies based on an examination of the forward estimates leading to the implementation of approved programs in line with the resources available to the public sectors (para. 5).

Undertaking these two tasks would be only the beginning of the planning approach implied by the inclusion in the ALP's Platform

at the 1975 Conference at Terrigal of a commitment to the creation of a Department of Economic and Social Planning:

The present proposals are part of an evolutionary process leading to the eventual setting up of a Planning Department, but designed to take advantage of what we can readily implement and encourage so as to ensure a sounder foundation for that Department when it is introduced (para. 6).

To achieve the medium-term assessment, the DURD draft favoured a 'normative' approach as used in the UK by the Wilson government of the 1960s.

To make clear the interconnections between policy areas, the draft proposed the development of a model of the medium-term structure of the economy⁴⁴:

The outcome of this first task will be to outline the scope and constraints for government expenditure during the ensuing five years. Within these constraints, individual government programs can be planned on a firmer basis (para. 11).

The second task was to determine priorities among expenditure programs through the development and use of forward estimates⁴⁵. Treasury had collected forward estimates for some years, but those estimates seem not to have been treated seriously by Treasury or the spending departments. The DURD draft proposed a new, upgraded forward estimates report which:

lists the programs and other activities of the government; gives indicators of progress towards our objectives over the medium term; estimates the cost in money and real resources to the government of those achievements (para. 15).

Necessary steps in the upgrading would include:

extension of the collections to five years ahead; evaluation about the effectiveness of expenditure programs; and alternatives to existing procedures which might better promulgate the Government's aspirations (para. 16).

Medium-term assessments of various sectors of the economy were already being produced in a range of policy areas by a number of government agencies. The major of these, apart from DURD's development of the urban and regional budget as a basis for planning public investment in urban infrastructure, were manpower planning by the Department of Labor and Immigration; energy planning by the Department of Minerals and Energy; and industrial planning by both the Department of Manufacturing Industry and the Industries Assistance Commission. The draft urged that these disparate efforts be coordinated in a more comprehensive approach to medium-term assessment. DURD's intention is obvious, to have itself established as the key department in one sector of the economy, with other departments, such as DLI, DME and DMI, the key departments in other sectors. Treasury would be the top department in the sense that it would have responsibility for assessing the entire economy. Below it would be a group of sectoral assessors, and below them would be the other departments. So, DURD's work in economic matters can be seen as a further attempt to establish a coordination role as a means to helping to rationalise the economy. It was not an attempt to usurp Treasury's role or even to challenge Treasury's primacy in the field, although in urging Treasury into activities with which it had no sympathy DURD invited conflict.

The draft suggested mechanisms for implementing the tasks. Initially, a Working Group of officials from the government departments already involved in assessments

should be given the task of proposing detailed terms of reference, including the resulting policy questions and a schedule of activities so that this work can proceed. This phase should be completed within a month of the Working Group being convened. The terms of reference will be submitted for final Cabinet approval (para. 19).

The Cabinet Expenditure Review Committee (CERC), established in early 1975, was suggested as an appropriate body for reviewing the expenditure implications of the forward estimates.

At the same time the forward estimates should be passed on to the Working Group covering the Medium Term Assessment and will form a major input to their deliberations on medium policy options (para. 20).

The draft concluded with three recommendations which put a position with which DURD and Uren would have been happy.

It is recommended that Cabinet:

1. Authorises the setting up of a Working Group of officials from the Department of Treasury (Chair), Manufacturing Industry, DURD, Minerals and Energy, and Labor and Immigration, to develop the terms of reference and schedule of activities referred to in paragraph 19 and more generally the methodology and techniques for medium term assessment of the economy.
2. Authorises its Expenditure Review Committee to conduct a first examination of the forward estimates as described in paragraph 20.

3. Authorise the Treasury to initiate discussions with other Departments with the aim of improving the forward estimates collections, with particular emphasis on strengthening the non-financial data as quickly as possible; the Treasury to report back on these discussions with suggestions for further improvements within three months.

With their Minister (Cairns) known to be favourable towards planning, Treasury officials were forced to take seriously DURD's initiative. Lansdown wrote to Wheeler about medium-term assessment (MTA) and forward estimates (FE) suggesting that the Treasury Secretary convene the proposed working group⁴⁶. It was almost a month before Wheeler replied⁴⁷. Cooperative in tone, his letter suggested a discussion between officers of the two departments to canvas issues and difficulties⁴⁸. DURD officials were suspicious that this was an attempt by Wheeler to build in a further delay but Lansdown agreed to a meeting⁴⁹. That meeting between some of the highest officials on both sides took place another month later, on 23 May⁵⁰.

Meeting in May:

From DURD's point of view the aims of the meeting were to persuade Treasury to establish an MTA working group and to initiate a process of upgrading the FE⁵¹. Difficulties were expected, particularly over MTA on 'technical and methodological' grounds, another way of saying that Treasury was expected to express its traditional opposition to such things as a 'normative policy oriented approach', a public sector emphasis, a five year planning horizon and an examination through use of an econometric model of the relationships among

the various sectors of the economy⁵². On FE, DURD wished to secure a place for itself in an upgraded system⁵³. It proposed that CERC could better review the FE if functional 'blocks' were to be used. This meant that, instead of the estimates of DURD, DHC, DOT, DTR and any other agencies which had programs of an urban and regional development kind being examined department by department, an urban and regional 'block' could be used in which DURD would be the 'peak' department. Similarly DSS, DOH and DED could form a 'welfare block', and so on. The claim was that CERC could better assess spending priorities if it were able to do so within and between blocks and could coordinate functional expenditure within blocks. As with MTA, DURD proposed a five-year horizon for FE⁵⁴.

Discussion at the 23 May meeting was in two parts, although DURD representatives insisted that FE and MTA were closely linked. Responding to DURD's proposals on FE, Wheeler claimed to agree with DURD's objectives but saw a problem of a 'fundamental' kind. Whereas the FE should 'stimulate Ministers to discuss their priorities', he thought that functional blocks overlooked the responsibility each minister had for a department, its policy and spending. It would require Cabinet, constituted mainly by ministers who did not have peak departments, to approve the 'block' approach which would create, in effect, a Cabinet, and corresponding departmental, hierarchy. For Cabinet to do so was unlikely and the Prime Minister's authority would not be sufficient to change the outcome. It was a political argument and a telling one and pointed once more to the impossible position in which DURD found

itself in seeking a sectoral coordination capacity. The remainder of the FE debate was taken up with DURD officials putting the advantages for political decision-making of a better FE system and Treasury officials agreeing that such aims were laudable but expressing scepticism about their achievement given the realities of an unpredictable economy and a system of Cabinet government in which all ministers were of equal rank. Wheeler summed up by saying that much of what DURD proposed could be achieved through 'hard slog' as long as ministers led the way. It was agreed that DURD would write a letter to Treasury along the lines of the discussion with recommendations for overcoming technical difficulties.

The second part of the meeting was devoted to a discussion of MTA. DURD officials indicated that several departments were beginning MTA work and needed to have their efforts coordinated by Treasury⁵⁵. DURD was aware of how sensitive Treasury had been traditionally on the issue of planning, so Lansdown and Keating were treading carefully, anxious to reassure Wheeler and company that although DURD saw MTA as a necessary part of modern government, it was Treasury which should control its operation. Hence Keating spoke of an MTA Working Group that would be 'low-key', coordinated by Treasury, and focussing on important policy issues with an emphasis on interrelationships within the economy. Stone, Cole and Hyden attacked the MTA concept on technical grounds and indicated the failure of such work in the UK. In claiming that there was nothing magical in planning to provide advantages

over the existing Treasury approach centred on forecasts, forward estimates and the annual budget, Stone captured the dominant Treasury attitude in a single sentence: 'You can't get three middies from one bottle of beer'⁵⁶. Wheeler took a less dismissive tack approving of the concept of a low-key group controlled by Treasury to investigate MTA, although sceptical of that part of the draft Cabinet Submission which proposed an econometric model. He stamped his authority on the discussion by allowing that a meeting of officials, along the lines of the Working Group proposed by DURD, could be arranged without upsetting ministerial protocol and proposing that, after the Budget, a discussion paper be written as the first draft of an MTA work program. The approach he favoured was low-key, and evolutionary; it was to be at the departmental level and thus a matter for officials only. DURD was asked to do the necessary drafting, to which Lansdown immediately objected claiming that DURD was always put in the position of protagonist by Treasury and that Treasury should take up the running on MTA, since it was only with Treasury cooperation, if not enthusiasm, that any progress with MTA could be made. As Lansdown claimed, putting the ball in someone else's court was standard Treasury practice. It forced the other party to put up the case, leaving Treasury to knock it down. That the MTA exercise was not really to Wheeler's liking can be deduced from the fact that he claimed it was because Treasury officers were overworked and did not have available the necessary manhours that they could not do the preliminary MTA work. This is the poorest of excuses for a department such as Treasury, headed by a former Chairman of the PSB, which could, if the venture were thought worthy,

quickly gather the organisational and skill capacity necessary to the task. It is the clearest indication that Wheeler did not want confrontation with DURD over the issue, as did some of his colleagues, but rather wished to let MTA die a slow, bureaucratic death. His was the more sophisticated approach.

Treasury's tactics, then, were:

1. To contain the issues to the departmental level and, more specifically, to the bilateral relationship with DURD.
2. To separate, against DURD's wishes, considerations of FE from MTA.
3. To 'wait and see' whether Cabinet would put its weight behind the proposals.
4. To appear sufficiently positive to keep control of the matter if it were to go further.
5. To apply delaying tactics at all possible points, for instance, waiting until after the Budget, an additional three months.
6. To ensure that the matter would ultimately be determined in arenas under Treasury's control or strong influence, i.e. IDCs and working parties.

7. By seeming to be cooperative with DURD, to ensure that DURD's draft Cabinet Submission would, for the time being, go no further.

By these means, Treasury remained in full control of the initiative.

Forward Estimates:

Lansdown made his next move on both the FE and MTA in writing a letter on each to Wheeler just before the 1975 Budget⁵⁷. He argued that the review of expenditure undertaken by CERC in conjunction with the Budget was an unsatisfactory way of carrying out a difficult and necessary task. It had resulted in cuts which had 'only limited regard to overall priorities'⁵⁸. To avoid a recurrence the FE had to be accepted as influential in establishing priorities by being formally integrated with the existing procedures for preparing the annual Budget and revising its estimates. The formal integration was only part of Lansdown's answer. It had to be supplemented by clear guidelines to departments on the expected rate of growth in public expenditure in the FE period. That would require MTA. The two were inextricably linked in DURD's assessment, a point it had argued in the draft Cabinet Submission and in the meeting of 23 May. As chairman of that meeting, Wheeler had treated the two matters separately in both discussion and proposals for further action.

Lansdown's letter contained a draft timetable for the Budget which called for use of the FE in the Budget cycle between October and April, the remainder of the cycle remaining unchanged. A key section of the draft timetable was January to March when the CERC would examine the FE. For this purpose expenditure would be organised in six blocks:

1. Defence, Foreign Affairs and Overseas Aid;
2. Education, Health, Social Security and Welfare;
3. Urban and Regional Development (not elsewhere covered), Environment, Housing, Transport and Communications, Water Supply and Electricity;
4. Labour and Employment, Industry Assistance, other Economic Services and General Research;
5. Legislative Services, Land, Order and Public Safety, Administrative Services;
6. Payments to the States (not elsewhere covered).

The block proposal was important to DURD. If accepted, it would establish a defined sector of public spending in which DURD could claim priority, especially since Lansdown also proposed that the CERC (officials), on which DURD was represented, be the major organ at the departmental level for determining program priorities within the various blocks. It would give DURD the foothold long sought in its attempts to coordinate the programs and spending of other departments with activities in its block.

Since the CERC had an important role in DURD's FE proposals, Lansdown informed Wheeler that he was sending a copy of the letter to John Menadue, head of DPMC, and suggested the next step might be for the members of the CERC to meet, with their Permanent Heads attending, to discuss DURD's proposals. Once agreement on a set of proposals was reached either the CERC or Treasury could prepare a Cabinet Submission to ensure strong ministerial backing. Lansdown's suggested approach was not followed and neither Uren nor DURD was involved in the initial, important, high-level discussion of FE. Treasury, far from being opposed to upgrading the FE, favoured a greater effort to increase the importance of the part played by FE in the annual Budget cycle. It, too, had been unhappy at the arbitrary way in which expenditures had been cut. Any upgrading, though, would have to be on Treasury's terms.

Treasury's substantive reply to Lansdown's letter of 4 August on FE was sent by Wheeler on 22 September, certainly well after the Budget. Wheeler's letter informed Lansdown that Treasury had made specific proposals to the Treasurer and hoped they would be the basis of an early Cabinet Submission. According to Wheeler's letter a meeting of the Prime Minister, Deputy Prime Minister and Treasurer attended by Wheeler and Menadue, was held shortly after the Budget. That meeting agreed that the Treasury prepare a report on the FE to be considered by the CERC to 'identify major issues and approaches to them, for consideration by Ministers'. Beyond that, CERC's role in the FE process would 'be developed on the basis of discussions in the CERC Officials Group'.

Wheeler claimed that Treasury's proposals were broadly in line with DURD's, with some differences, particularly on the proposed timetable:

We are all agreed that there is an urgent need for greater policy input at the official level, and much greater input at the Ministerial level, if the forward estimates are to be used for decision-making. In an effort to achieve this input I have recommended to the Treasurer that he seek Cabinet endorsement to formally integrate the forward estimates with the annual Budget decision-making processes.

Treasury's proposals were fully spelt out in a draft Cabinet Submission circulated by Hayden at the end of September 59. The main purpose of this Submission was

To recommend to Ministers certain actions designed to upgrade the forward estimates and integrate them into normal Budget decision-making processes.

The events which seem to have convinced the Treasurer of the need to upgrade the FE were associated with preparing the 1975-76 Budget, especially the sharp cuts in the 'planned rate of growth in Government expenditures' just prior to the Budget. Some of the cuts, the Treasurer admitted, were arbitrary, had an uneven impact, and were made not on the basis of program priority but on the nature of commitment, i.e. higher priority revocable commitments lost out to lower priority irrevocable commitments⁶⁰. By integrating an improved FE process with existing Budget procedures this ad hoc and unsatisfactory approach could be avoided.

The major difficulty in upgrading the FE was not technical but political. The draft reflected the scepticism of the meeting of officials of 23 May as to whether a minister could be enticed to involve himself and his private office in establishing an ordering of program priorities within his responsibility⁶¹. Ministers are happy to confirm what appear to be vote-winning policy proposals and programs: they are far less willing to say that one spending program is more important than another, allowing spending cuts, if ordered by Cabinet, to be made on lower priority programs.

The timetable suggested by the Treasurer consisted of five stages:

- '(i) Treasury to request departments immediately to submit forward estimates of expenditures for the years 1976-77, 1977-78 and 1978-79;
- (ii) Departments to submit estimates, after securing formal Ministerial endorsement of them, to Treasury not later than the end of November 1975
- (iii) Treasury to prepare a Report on the forward estimates by early February 1976 for consideration by CERC officials later that month;

- (iv) After consideration of the report from CERC officials, CERC Ministers to submit by early March 1976 suggested guidelines to the full Cabinet on the future level and composition of Australian Government Budget outlays; and
- (v) Cabinet to take decisions on those guidelines, with the further decision that Cabinet's views be reflected in the first bids of departments for 1976-77 (the normal closing date for Departmental first bids is the end of April) and in the new proposals to be brought to Budget Cabinet by Ministers.' (para. 12)

The major difference in this scheme from that proposed by DURD is that there is no provision for 'blocks' of expenditure (such as health, education and welfare, urban and regional development, foreign affairs and defence, etc.). Treasury's objection to that approach in the 23 May meeting was the difficulty for officials to establish priorities within a block of departments without close ministerial involvement. It is a real objection, not likely to be overcome without new administrative arrangements providing for one or more ministers to make decisions which may adversely affect the policy territory of another minister.

The Treasurer's Submission did not close off the possibility that the CERC might play some role in assessing priorities among 'functional categories'. CERC, with assistance from CERC (Official), would offer advice to Cabinet based on

political and other considerations. Cabinet would then order individual ministers to cut, hold steady or, improbably, increase their program expenditures.

A second Treasury objection was that 'block' discussion would extend the timetable. The legitimacy of this objection was registered by Dr Keating, the FAS most responsible in DURD for FE⁶². Nevertheless, DURD was disappointed that 'blocks' were not to be used, since an urban and regional block would include, DURD would argue, some parts of transport, housing, property, and environment policy⁶³. As such the block would have been a form of coordinating device, another in the list which DURD had tried unsuccessfully. From the Treasury point of view there was no advantage, even if ministerial objections could be overcome, in organising the Budget on a block basis. The functional system seemed to work well and took account of the responsibilities of each minister. In the light of existing arrangements, DURD's block proposal looked unnecessarily Byzantine.

The production of a Treasury draft Cabinet Submission, although it had some similarities with DURD's draft, and its presentation to Cabinet, after a top level meeting organised by Wheeler and Menadue in which Uren and DURD were not involved, meant that DURD's draft was dead, at least in its FE aspects. Treasury's ability to stall DURD's initiative and then to trump it through Treasury's ready access to the highest levels of economic decision-making, not available to Uren or DURD, is a rather pathetic indication of the differences in stature and

role of the two departments. DURD would have no special role in the FE process giving it a sectoral control. Its remaining hope was MTA.

Medium Term Assessment:

The draft work program for MTA requested by Wheeler at the May meeting was supplied by Lansdown before the Budget to allow Treasury to begin work at the first opportunity⁶⁴. The document rehearsed material already presented either in the draft Cabinet Submission or in the May meeting. One new aspect was identification of topics for further investigation, and recommendations as to which departments or authorities might have primary responsibility for the work. Most items were listed as the sole or joint responsibility of Treasury, with DLI, DURD, DME, the IAC and the ABS also given items. DURD reserved three matters for itself: the impact of changing industry structure on industry location; the implications for growth, capacity and structure of the building and construction industry of increasing public investment; and the sensitivity of private intentions for investment in urban infrastructure to the medium term outlook and particularly the financial climate⁶⁵. All of the agencies mentioned in the list of responsibilities were proposed by Lansdown to be members of the mooted 'low-key working group of officials': Treasury, DURD, DLI, DME, IAC and ABS. Increasingly, DOT, which had also been undertaking MTA work, was excluded, probably because it would have challenged DURD's control over urban infrastructure.

In the form proposed, the listing not only excluded Treasury from various areas but also established DURD's supremacy over all the departments with which it had been feuding. If accepted it would have given DURD the sectoral control it sought. Support for the proposal could have been expected to come from all the proposed members of the working group except Treasury. DURD knew it would need all the friends it could muster.

Soon after, Cairns was replaced as Treasurer by Hayden, prompting Uren to supply the new Treasurer with copies of the two letters of 4 August (one on MTA, the other on FE), reminding him of the ALP's commitment at the Party's Terrigal Conference to economic and social planning⁶⁶. The arrival of Hayden was welcomed within Treasury and was the kind of change at the political level that Wheeler wanted, to reassert Treasury influence on a range of issues including planning.

The search for allies saw Lansdown contact Dr Peter Wilenski, Permanent Head of DLI, seeking 'close liaison' on MTA and FE to develop 'some commonality of approach'⁶⁷. In this regard, close contact was also kept with Professor A. Powell who had primary responsibility for developing the Economic-Demographic Model of Australian Industry on behalf of DLI and the IAC⁶⁸. In addition, DURD's representative at the October meeting of the Joint Transport Studies IDC offered DURD's assistance to DOT in preparing the MTA to be used in introducing proposed new transport grants legislation⁶⁹.

DURD wanted to see changes in the administrative arrangements to introduce mechanisms for priority planning and improved resource allocation⁷⁰. Such changes were DURD's only real hope of achieving its desired role. That hope was boosted by the Coombs RCAGA which had established in July a Task Force 'to report on the present procedures and machinery for formulating, coordinating and implementing the Australian Government's economic policy'⁷¹. Keating was a member of the Task Force and knew that the thrust of its recommendations would be in the direction urged by DURD. There was some confidence that the RCAGA would accept the Report of its Task Force and include recommendations to that effect in its final report. Even before the Task Force Report was made public the dismissal of the Whitlam Government on 11 November 1975 turned the collective DURD mind to the more immediate concern of survival. No substantive Treasury reply to the Lansdown letter of 4 August on MTA had by then been received. DURD's draft Cabinet Submission was effectively overtaken by events. Its hopes for a sectoral control role were dashed.

An Urban Interest:

The final episode in the study of DURD's involvement with MTA and FE took place after the removal of the Whitlam Government. As a tactic to defend DURD programs in the event of a non-Labor government being elected, Lansdown tried to get the permanent heads of DOT, DHC and DOE to discuss, and devise a common approach to, budget matters related to MTA and FE as they touched upon those programs of the four departments which

Lansdown described as constituting an 'urban interest' in government policy⁷². A meeting of the four was set for 2 December. Copies of the first two letters sent by Lansdown to his three colleagues were also sent to the Treasury for information⁷³. A swift and stinging reply came from Mr J. Garrett, Acting Treasury Secretary in Wheeler's absence⁷⁴. It had the tone of a schoolmaster chiding an errant schoolboy.

Garrett objected to DURD's initiative on several grounds: that it was inappropriate for spending departments 'to put their heads together' on such matters 'without ministerial guidance'; that it was especially so until after the 13 December election; that DURD's action in proposing to circulate a paper on budgetary parameters, given the policy content and technical difficulties involved, was 'questionable'; that discussion of the distribution of total expenditure between areas to get an indication of likely funding constraints on urban programs was outside of DURD's responsibility and expertise and, in any case, was not a matter for public servants since it went 'to the heart of the political decision making process;' and that even after the election 'proper process' involving all concerned ministers would be required for the type of discussion proposed by Lansdown. As a final stroke Garrett informed Lansdown that copies of his dressing-down were being sent to the three permanent heads to whom Lansdown had written on the matter.

The 'urban interest' permanent heads met as planned to discuss a document prepared by DURD, 'The Australian Government Budget and the Urban Interest'⁷⁵. The visitors wanted a broader definition of 'urban interest' than that proposed in the paper. They wished to see included, in addition to their own functional responsibilities, health, education, welfare, communications, manufacturing industry, regional development, defence capital expenditure 'and perhaps others'. Such a broadening made the notion of urban interest ludicrous since it could be made to include almost everything. The visitors poured more cold water on DURD's scheme by insisting that nothing be done without Treasury's full involvement and, in any case, not until after the 13 December election so that the new Ministers might be able to lead any initiative. The meeting was not a major success for DURD and the initiative came to nought.

An indication of Treasury's true attitude to DURD's earlier initiatives on MTA and FE can be seen in Garrett's letter. DURD was being told that it was attempting something outside of both its legitimate role and technical competence. Lansdown's response rejected this and other charges⁷⁶:

I and my Department are not trying to take over Treasury's role nor teaching you how to suck eggs.

and again later in the letter:

You seem to be concerned that we are setting out to compete with Treasury or to take over part of its role and there is no substance in that

Treasury may not have been overly worried by DURD's initiatives in the economic area but it certainly found them annoying and

unwarranted. Garrett's letter put on record Treasury's rejection of any coordination role for DURD which involved economic matters. So, Wheeler and company obviously had been humouring the DURD officials in the negotiations over MTA, an interpretation of events which was confirmed by Wheeler's long-awaited reply on 9 February 1976 to Lansdown's letter of 4 August 1975. A Coalition government was in power and DURD now formed part of a new Department of Environment, Housing and Community Development. Referring to his own comments at the May 1975 meeting that further progress on MTA depended on the availability of manpower resources in Treasury, Wheeler wrote:

It is now clear that, in view of the staff ceilings and the demands being made of Treasury staff, it will not be possible for me to allocate resources in the foreseeable future to undertake the sort of program you have suggested.

Lansdown annotated Wheeler's letter, 'History?' The question mark was prompted by the way that Wheeler had left the matter hanging. He did not veto MTA: he merely claimed a shortage of Treasury resources in the foreseeable future. That seemed to promise progress if ever the resources were available. It would be only if the Cabinet, Treasurer or Treasury made MTA a priority that the resources would be available. It was the perfect reply by Wheeler, leaving Treasury's position ambiguous and thus making any attack on it sound unfair, even paranoid. The matter was left in limbo but within Treasury's control.

CONCLUSION:

Treasury's strategy for dealing with DURD was to hold it responsible for only a narrowly defined version of urban and regional development. Whenever DURD sought to act outside of the limits of that version, Treasury moved to clip its wings. Thus DURD experienced great opposition from Treasury on most, if not all, IDCs. In bilateral dealings, Treasury used the pragmatic possibilities of procedure, mainly delay, especially when DURD had some support in Cabinet against the Treasury position, as it did when Cairns was Treasurer.

With the failure of DURD's sectoral budget control bid, its last hope for a resource coordinating capacity was dashed (Self's boxes 4, 5 and 6). Treasury did not object too strenuously to cosmetic changes such as an annual Urban and Regional Development Budget Paper being added to the existing collection of papers, since that paper did not affect the budget process or Treasury's control of it. The new paper was a statement of DURD's aspirations in addition to a particular formulation of budget figures for information purposes. On matters of substantive changes, however, Treasury showed DURD no mercy.

Since it was DURD which was seeking change, Treasury could afford to play the waiting game and by rules which it had been instrumental over the years in fashioning. DURD could have no success except through the good grace of Treasury, for the

reason that it was forced, because of Uren's relatively weak position in Cabinet as just another minister, to operate mainly at the official level. At that level, Treasury controlled many of the levers of power and DURD none.

Treasury's levers of power in the Whitlam period were associated closely with its recognised jurisdiction. Its ability to arbitrate the rules of the game at the official level derived from the resources at its disposal. Above and beyond the normal range of human and financial resources available to any department, Treasury had an institutional location which was unique. It derived in part from Treasury's financial control role which gave it dominance at the departmental level and in part from its comprehensive economic advice role which gave it the ear of the prime minister and of the Cabinet. That unique structuring gave Treasury a formal status which was reinforced through the skill and expertise which Treasury officials brought to the job. The standing which Treasury enjoyed at any particular time with any particular government depended on the success of its economic advice, particularly at Budget time. In turn, Treasury's capacity to influence areas of policy other than economic policy, especially through the proceedings of IDCs, depended on its current standing with the Cabinet. Even in times of low standing, however, Treasury could still exert a high level of negative coordination, slowing down or blocking policy initiatives with which it had little sympathy, until such

time as its own standing improved and its advice was heeded or perhaps until an election brought a new government willing to rely upon Treasury advice, at least for a honeymoon period.

The ability of Treasury to operate effectively against a policy department's initiatives, even where those initiatives seemed to have Cabinet backing, is amply demonstrated in other chapters. Its capacity to so act demonstrates how administrative politics is about mastery of administrative procedures. Where, as in the case of Treasury, the organisation responsible for enforcing rules and procedures related to values of efficiency and economy is also the organisation which largely devised those rules and procedures over a long period of time there is no doubting the institutional advantage it has over other organisations. Within the interdepartmental arena, Treasury controlled levers which gave it a structured dominance and a vested interest in preserving the existing rules of the game.

From DURD's point of view it is, unfortunately, the case that DURD was forced to play by those existing rules. Given Treasury's widely known attitudes to planning and economic advice competitors, it is not at all surprising that DURD suffered at Treasury's hands. On the other side of the ledger, however, it should be recorded that neither Cabinet nor the PM moved to change the rules. For all its complaints against Treasury, particularly around the time of the 1974 Budget, the Whitlam Government did not attempt to diminish the institutional control available to Treasury. Until that were done, there was no hope of DURD acquiring even a limited resource control role.

In maintaining its own jurisdiction, Treasury ensured that DURD could never realise the jurisdiction it claimed.

At the same time as DURD sought to establish regional budgets and sectoral control within the annual budget cycle as elements in its National Urban and Regional Budget, it also moved to reduce the jurisdictional conflict it was experiencing with DSP and DHC. Direct takeover of another minister's responsibilities, with the accompanying transfer of human resources in an existing administrative configuration, was not a prospect Uren relished. But it had by early 1975 become the only remaining strategy to give Uren and his department control of what they coveted. If they could not coordinate certain areas of policy and associated resources without also having ministerial control of them, then direct control had to be sought. This was the strategy adopted and it turned out to be DURD's last major effort to achieve what it had always wanted in its attempts to secure policy and resource coordinating capacities - control. The story of these takeover bids is contained in the next chapter.

CHAPTER EIGHT

TAKEOVER: THE LAST RESORT

The only sure way to resolve competing claims for jurisdiction is to remove one of the claimants. Taking direct control of functions held by another minister is, of course, an abandonment of coordination as an approach. It is to depart from all that is represented in the six boxes in Self's schema. That is the approach adopted reluctantly by Uren and DURD in an attempt to resolve finally its difficulties over property and housing policy.

Property Policy:

Two and a half years after the establishment of DURD and the Department of Services and Property (DSP), a new AAO of 6 June 1975 formally transferred the "acquisition, leasing and disposal of land and buildings in Australia on behalf of the Australian Government" from DSP to DURD¹. The event went unnoticed by all major newspapers, even on the property pages. That no report or analysis of the move appeared reflects a general lack of appreciation of the possible consequences for policy. It is likely that the transfer, if noticed at all, was thought of vaguely by the press as a move to improve efficiency or to suit political convenience, with no very far-reaching policy consequences. After all, the argument would go, it is still the same government formulating policy on the same range of matters and the Cabinet membership is unchanged, so the transfer cannot alter things too much, particularly since the

property function is thought of widely as a technical, service, policy-neutral activity.

These arguments rely too heavily on the questionable assumptions that Cabinet is relatively monolithic, and that a particular function will be controlled in much the same way no matter which minister has authority and however that function is represented in the administrative structure. In fact, as is demonstrated in this chapter, the way in which a function, in this case the property function, is represented in the administrative arrangements has a significant effect on the content of policy.

The property transfer was the culmination of a long period of conflict between DURD and DSP. To DURD, the property function was important primarily as a contributor to the achievement of urban and regional development policy, whereas to DSP, the function was an end in itself, to provide for the property needs of the government on a value for money basis.

The property function has a long history at the national level. In the very first Administrative Arrangements for the new Commonwealth of Australia, one of the listed responsibilities of the Home Secretary of the Commonwealth, whose department was titled Home Affairs, was 'acquisition of property'². He had control of the Property for Public Purposes Acquisition Act 1901.

By 21 December 1916 the Department's title was Home and

Territories, the legislation was the Lands Acquisition Act 1906-1916 and the matters dealt with by the Department were "Lands and Surveys"³. The same basic legislation and matters became the responsibilities of the Department of Works and Railways during its life from November 1925 to 1932, when it was absorbed by the newly created Department of the Interior⁴.

They remained with Interior until it was abolished by the Labor Government of December 1972, at which point they became central to the activities of the new Department of Services and Property⁵. The last full Order issued prior to that of December 1972 listed the following among the "Principal Matters dealt with" by Interior:

Acquisition and leasing of land and property in Australia or a Territory of the Commonwealth for Commonwealth purposes;
Management of Commonwealth property so acquired or leased.
Surveys - land, engineering and topographical for Commonwealth purposes⁶.

The only significant change to these matters in the Order of 19 December 1972 was that DSP was given additional responsibility for 'disposal' of land and property so acquired or leased.

The organisational basis for DSP's property and survey activities had come mainly from the Management Services and Property Division, ACT Lands Division and Survey Branch of the former Department of the Interior. The personnel, established procedures and traditional concept of the property function also came from the old department to the new. The DSP approach to

property policy was much the same as it had been for many years before 1972. Policy was then quite straightforward. Land and buildings were acquired or sold when the need arose. The aim was acquisition of property at the lowest possible price consistent with its effective use as an office block or as a building site meeting Government needs. What were regarded as sound real estate principles guided policy and practice.

If buildings were available in the central business district of Sydney and Melbourne and public servants in those cities needed office accommodation (if funds were available then) they were acquired; if a building could not be constructed especially for the government, then perhaps one already built could be purchased. Only if funds were short or if office space were needed immediately, should it be leased. However, the more urgent the need the more appealing was the short-term solution of leasing. When Labor assumed office the annual rental bill for office space was said to be about \$22 million and the government owned only 45% of the office space it used⁷. DSP and its minister who promised to raise the ownership figure to 75% set out to give the government greater equity in its accommodation by more building and buying and less leasing⁸. This was a policy aim.

As we saw in Chapter Five, there were three interrelated problem areas over which DURD and DSP struggled: the Government's office construction program, the relocation of public servants as part of a decentralisation policy, and the issue of land tenure (particularly in growth centres and Land

Commission areas). As Uren and senior DURD officials saw it, DSP was a problem which required a solution.

Seeking a Solution

In the numerous issues involving DURD and DSP which went to Cabinet, Mr Uren, according to his own testimony, was almost always the victor⁹. The result, he said, was that

Daly was sick and tired of defeats in Cabinet over matters for which he did not much care. He wanted to get rid of all but the electoral and parliamentary functions in his Department¹⁰.

Daly's intentions, expressed as early as February 1974, prompted Uren to write to the PM. Uren's concern was with "suggestions" he had heard that some functions were to be split from Services and Property and relocated with Housing and Construction¹¹. Daly was not a serious rival to Uren and regional policy level because of the pre-eminence of urban and regional policy over property policy but the Minister for Housing and Construction, Mr Les Johnson, could have been a greater obstacle because of the importance of housing policy to Cabinet and Caucus. As we saw in Chapter Four there had been and would continue to be many conflicts between DURD and Housing. In that context Uren staked his claim:

The Department of Services and Property has a number of general functions with little direct urban impact. However, there is one function that deals with the acquisition and leasing of land and property and the management and disposal for Urban and Regional Development makes it very clear that there is a close connection between what Services and Property are doing and the policies I am implementing.

.... I want to propose that my Department be considered as the more appropriate to carry out the work involved with property acquisition and management.

Uren wrote again to the Prime Minister on 20 June 1974 about the property function. He began by claiming,

Fred Daly has told me that with his main interest lying in electoral affairs and in Parliament and parliamentarians he would like to be relieved of the main operations of his department of Services and Property.

The letter contained a proposal for disassembling Services and Property and relocating its main parts: the Australian Electoral Office would remain with Daly as an independent entity; the Survey Branch "could be attached to any one of a number of departments". A detailed proposal was promised; the land function of the Property Division would be integrated with DURD.

The key point in this letter was that land use planning and urban and regional planning were significantly affected by decisions of Service and Property in its administration of the property function. These decisions, it was claimed, should be "directly influenced by our urban policy", possible if DURD controlled the property function. Uren envisaged many benefits flowing from such a new arrangement: it would simplify decision making by removing one department from the process; it

"would give Urban and Regional Development a shop-window in each of the Capitals and would facilitate the development of machinery for liaison with agencies of State Government and with Local Government Authorities".

This could happen because of the existence of sections of the Property Division in the State capitals; it "should" lead to a reduction in the number of public servants involved with the property function; it "could" assist the Northern Territory

portfolio through the return of those elements taken from the Department when Services and Property was created. It was proposed that the policy components of the land and accommodation parts of the property function could be integrated with DURD's policy structure and other elements of the Property Division dealing with general management matters would be incorporated in an Australian Property Bureau to be created within DURD.

Daly, obviously keen to rid himself of the contentions functions, raised the issue with Uren again in October 1974. Uren's concern, expressed to Lansdown, was with the undesirability of "adding to the load in the Department" if the property function were transferred to DURD¹². The possibility of having the function transferred to another department or commission likely to take a cooperative view with DURD's was considered, but no solution along that line seemed likely. Again in late October the matter arose and Lansdown wrote to a senior officer in his Department:

I do need to discuss with you urgently what line we are going to take on Services and Property. We need to be able to suggest how a Department could be retained for Daly while the Property part comes to us¹³.

DURD's position was difficult. It wished to see the property function out of DSP's hands but there was no other Department in a position to lay claim to the function except DHC, an arrangement with no appeal for DURD. The remaining DURD alternative was to take on the function itself, a course which it would undertake with little relish and only as a last resort,

given its self-image as a small policy body with co-ordinating power over all other departments on urban and regional matters.

The Permanent Head of DSP, Mr M Timbs, was not popular with his minister or the PM. He was said to have strongly represented at the departmental level particular positions which Daly would either not have held at all or not have insisted upon at Cabinet level. The result was that final resolution of many of the differences maintained interdepartmentally was left to Cabinet where Uren was almost always the victor over Daly. The dispute over the Parramatta development is a good example of the different stances taken by DSP and its minister. As far as the PM was concerned that sort of difficulty was for Daly to resolve.

Whitlam's interest and anger were aroused in particular by two incidents involving Timbs. The first was when, following the 18 May 1974 election, the PM, with the ready concurrence of Daly, transferred responsibility for the overseas Property Bureau (OPB) from Daly to the Minister for Foreign Affairs, Senator Don Willesee. Timbs objected in the strongest possible terms¹⁴. He wrote to Sir John Bunting, Permanent Head of DPMC, on 22 June, with copies sent to all other permanent heads, protesting at the "incredible" manner in which the decision was reached. By this Timbs apparently meant that Senator Willesee sought the OPB even though his permanent head, Mr Alan Renouf, "neither sought nor wanted" it¹⁵. In his letter Timbs asked:

Is it intended to use the Foreign Minister Senator Willesee's own sterile arguments to justify

fragmentation of the Overseas Property Bureau?

Senator Willesee eventually read a copy of the letter in late July and wrote about it to the PM, attaching a copy, protesting at its "content, tone and distribution" and suggesting that should Timbs

feel unable to comply with the responsibility of officials to loyally execute the decisions of ministers, then he has a conscientious duty to absolve himself of that responsibility by the simple act of resignation.

Although apparently no action was taken against Timbs at the time beyond a stiff rebuke from Daly, the PM did not forget the matter.

Quite apart from policy differences between the two departments, DURD was increasingly upset over what DSP was saying to the State Governments:

DURD officials repeatedly took issue with S&P officials over the disquiet that department was provoking amongst state officials. Uren also complained to Daly and Whitlam about confusion created in negotiations over Land Commissions and growth centres by apparent differences in policy as expressed by DURD and S&P in negotiations with the States¹⁶.

The second major incident was when Timbs spoke against government policy on urban and regional development at a ministerial conference in February 1975. Uren, present at the conference, expressed his annoyance in letters to Whitlam and Daly and asked for disciplinary action against Timbs¹⁷. Daly rebuked Timbs over his behaviour:

This incident was one of a series which was clearly irritating both Daly and Whitlam. Daly had repeatedly tried to resolve outstanding issues and had a number of discussions with Uren and DURD officials advising them of his general position. It was felt that this incident was the last straw which caused Whitlam later in the year to give Uren the responsibility for administering the property functions, the transfer of which Daly agreed to¹⁸.

Finally, the relationship between DURD and DSP became impossible in March 1975 over the issue of the Australian Government's office building program¹⁹. Because of lack of progress in office construction, the Prime Minister and the Treasurer lodged joint Cabinet Submission No. 1611, "The Economy, Unemployment, and the Australian Government Office Building Program" on 28 February 1975. It noted the increased office accommodation needs and the small amount of progress made in construction in preferred locations. The Submission implied heavy criticism of DSP and DHC. It proposed that the construction industry be stimulated and unemployment relieved by use of private developers to construct Australian Government office buildings on suitable locations. There was a difficulty in the proposal for DURD. DSP would remain the responsible Department for negotiating, entering into and administering the details of contracts with the private sector, after they had been initially negotiated in general terms by DURD. DURD would thus be excluded from some of the important parts of the office construction process allowing DSP "too many opportunities for nit-picking, differences about details, etc...."²⁰.

DSP, with a private sector building arm and a monopoly on building contracts, would be in a stronger position than

ever, promising even greater problems for DURD's attempts to coordinate urban and regional policy. As Cabinet Submission No. 1611 was about to come up for a decision which could have crippled DURD's role in office construction, Lansdown wrote to Uren as follows:

I am simply saying therefore that it is one thing as you suggested to want a confrontation but confrontation alone will not bring about these buildings. It may be that you see confrontation leading to the abolition of the Department of Services and Property - if so that is a desirable result, for while Services and Property exists and while it has administrative responsibilities in this present exercise you will not achieve your political objectives.

As you know I had suggested earlier that Services and Property be brought into the negotiating team but you will not accept that and I understand the reasons. The procedures cannot however be left as they are in the Cabinet Submission. What I suggest you do is to propose that the Administrative Arrangements Order be amended for one of those Departments where the Minister and Department might be thought to be sympathetic and give that Department the power to lease office accommodation for Australian Government purposes. Whether the Department of the Capital Territory would be prepared to be involved I do not know and I have not explored.

I cannot see the Government abolishing Services and Property. I put this other notion forward as an administrative device designed to make your proposal work - for it won't work as it is put forward.

Uren decided that a serious challenge to DSP's responsibility for property had to be launched. Lansdown drafted a detailed proposal along the lines indicated by Uren, the major point being that DURD would itself seek to absorb the function. The proposal was contained in a letter from Uren to the Prime Minister of 15 April 1975. This followed a discussion between the two in Adelaide on the previous Friday. In this letter the notion of disassembling Services and Property was

forgotten. A new proposal was presented involving a Bureau of Government Property (similar to the Australian Property Bureau previously mentioned) and a re-organised Department of Services and Property, minus the Property Division and plus some other functions, to be known as the Department of Internal Services. The additional functions, detailed in an attachment to the letter were presented, in two alternative forms. The first recommended that transport and storage, departmental food services, valuation, Gazette and Government Directory and the Mint be taken from, respectively, Manufacturing Industry, Labor and Immigration, Treasury, Special Minister of State (SMOS) and Treasury. The second alternative included the first but added Archives from SMOS and the Executive Council from Prime Minister and Cabinet.

Uren presented his suggestions as contributing to the government's plan "to gradually improve" the administrative arrangements adopted in December 1972 by grouping related functions in the same ministries, while grouping leftover functions, not an integral part of other ministries, under the Special Minister of State and Services and Property.

In keeping with the plan of "progressive rationalisation of the machinery of Government" Uren urged a ministry for government internal service functions, which would not include the property function seen to be a key element in DURD's planning role:

To date the administration of Australian Government property has been regarded as a service function but our

experience in Government has demonstrated that that function is inextricably mixed with the achievement of our urban objectives.

In particular, Uren stressed the importance of decisions affecting the location of Australian Government employment and the use of land owned by the Australian Government. He argued that the location of statutory authorities employing a total of 110,000 in April 1975 could be effectively controlled only through the Lands Acquisition Act²¹. He claimed that the Government owned approximately 14,000 separate parcels of land, the current usage of some of which was "inappropriate to our urban and regional objectives"; that land acquisition decisions played an integral part in negotiations with State and local governments; that land could be offered to the other levels of government instead of funds, particularly where the business of the Land Commissions and the Land Councils, and of the Area Improvement, National Estate and proposed Inner Urban Programs was involved; and that negotiation of agreements with the states would be simpler if one minister instead of two was involved. Uren recommended that, in terms of administrative structure, the proposed Bureau of Government Property be a part of the proposed Bureau of the Cities (which was to replace the Cities Commission). He finished his letter with an assurance to the Prime Minister of his belief that Daly "would not object to the implementation of these proposals".

While in Adelaide Whitlam heard support for Uren's proposal from Mr Hugh Stretton, a well-known writer and commentator on urban matters and an acquaintance of Uren's advisers. The Prime Minister spoke to Uren in the ALP Caucus

meeting of 3 June 1975, asking him to indicate what he wanted from the two departments, DSP and DHC. In Uren's letter in reply of the same date, he reminded the Prime Minister of the correspondence of 20 June 1974 and 15 April 1975 on the subject of property and of discussions in Adelaide between them and between Menadue, Permanent Head of PMC and Lansdown respectively, about the housing function.

In line with his earlier correspondence Uren asked for the Property Division and the legislation for which it was responsible. Specifically, this meant the three Branches, Accommodation, Land, and Planning and Review. DURD had no interest in the 300 or so cleaners, watchmen and others providing various domestic services and requested they go to a Department of Internal Services or its equivalent. The Chief Property Officers in each State were wanted, perhaps to provide State branches for DURD. The Bureau of Government Property idea was repeated as the best administrative structure for DURD to handle the property functions. Uren also claimed the five policy divisions and the management branch associated with the housing side of the Department of Housing and Construction. The Experimental Building Station was not needed so the recommendation was that it remain with the Construction part of the Department.

It is clear that Uren and his advisers had devised a new concept of DURD. The original concept was of a small high-powered policy making department with a cluster of closely associated statutory commissions²². DURD saw itself as

co-ordinating other departments to achieve the government's urban and regional objectives through key interdepartmental committees, the Caucus and Cabinet Committees on Urban and Regional Development, and through the development of a national urban and regional budget, a resources planning budget and a national urban and regional development strategy. In acknowledging DURD's lack of success in this co-ordinating role, Lansdown identified as the "general problem",

that neither this department nor the minister have a responsibility for things like housing or transport or whatever, that one might say is part of the area of urban activity of the federal government. That being so, the only alternatives to what we are doing seems(sic) to me to be bound up in a super department. We are not suggesting that and hence, we are in the somewhat difficult area of finding alternatives to a super department²³.

But alternatives did not appear. By June 1975 Uren had put in strong claims for the Property Division of Services and Property and the five policy divisions and associated management branch of the housing side of Housing and Construction. If the claims had been completely successful DURD would have been well on the way to superdepartment status with overall responsibility for urban and regional development, property and housing policy. It is true that there was no departure from the notion of a high-powered policy department, the main differences were in size and the number of policy functions. However, DURD was abandoning the idea that other policy departments could be co-ordinated by a peer department, even one backed up by the stated wish of government that it should be the personal and departmental advisers were opting for direct control of those

functions the administration of which by other departments had caused policy conflict for DURD. No attempt was made at this stage to gain any part of the environment or recreation functions, both of which came with DURD's purview of interest, but there were reasons for this. The Departments of Environment, and Tourism and Recreation were too small and politically insignificant to trouble DURD or any other department.

The new concept was only partially accepted by the Prime Minister in the June reshuffle, when he decided to leave the Department of Housing and Construction intact, though giving responsibility for the Australian Housing Corporation to the Minister for URD rather than to the Minister for Housing and Construction.

There are several points which emerge from this account. Although the major difficulties in the DURD/DSP relationship were over office construction, land tenure, and the relocation of public servants, the underlying problems were three-fold: that the departments had competing conceptions of what the property function was about; that both could claim some responsibility for the property function and cite authoritative documentation; and that DSP completely rejected DURD's territorial claim over property. When both sought vigorously to assert the correctness of their respective positions, the consequent politics and strife were only to be expected.

The Minister for S&P was not as interested in property

matters as in other parts of his portfolio, a state of affairs made worse by the fact that Uren frequently defeated his view on property matters in Cabinet. On occasion, DSP and its permanent head pursued the defence of that view more strongly than the Minister required.

Treasury and DPMC sided with DSP's traditional interpretation of the property function as against DURD's view of it as an instrument of urban and regional development policy. So close were the positions of Treasury and DSP on various issues that DSP was referred to within DURD as "Treasury's stalking horse", an identification of Treasury as the real enemy with DSP regarded as a Treasury dupe.

It is clear that possible difficulties with DSP were not foreseen and that Uren sought the property function only reluctantly, when problems with DSP, especially on IDCs, threatened to halt government initiatives, particularly where office development was involved, and when it seemed no alternative home for the function, thought suitable by DURD, could be found.

In deciding to transfer the function to Uren, the PM did not consult the PSB on the administrative implications. This proved costly. Any change in the responsibilities of ministers or to the departmental structure, brought about by amendment to the AAO or by a Cabinet decision, may be a source of further jurisdictional problems which can affect government initiatives in the same way that the DURD/DSP dispute did. Such potential

consequences demand that the control of conflict be a political priority.

Finally, conflict between the two departments was manifested (as we saw in chapter five) mainly as politics on IDCs, especially the following: SIDCURD, Office Location, the LAGE complex of committees, IDCAGLU and its two working parties, and CLDTGC. DSP rejected DURD's claim to a legitimate interest in some property matters and would have little to do with DURD except on IDCs, where it had to participate to protect its own interests. Cabinet Decision No. 1819 had forced DSP to acknowledge SIDCURD's role in office development, encouraging its participation on that committee. The IDC acted as an integrating mechanism in conflicts between the two departments. We see in chapter seven that it is in the nature of IDCs to produce lowest-common-denominator outputs. In the process, conflict is managed by being deferred or disguised, but rarely resolved. The DURD/DSP relationship is a classic case of a bilateral relationship pursued mainly in multilateral forums. From the beginning there was little cohesiveness between the senior officials of the two departments of a formal or informal kind, hence the reliance on the less personal, multi-member IDC. Here then is one facet of the IDC: it acts as a safety net for unsteady bilateral relationships between departments.

On the evening of 5 June 1975 a press release from the office of the Prime Minister of Australia, Mr E.G. Whitlam, announced changes in the Ministry and in the Government's administrative arrangements. The more sensational aspects of

the release were that Dr J. Cairns had been replaced as Treasurer by Mr W. Hayden, that Senator J.R. McClelland was to succeed Mr C. Cameron as Minister for Labor and Immigration and that Mr L. Johnson would lose the Housing and Construction portfolio and take up that of Aboriginal Affairs. Those aspects overshadowed the information that,

The acquisition, leasing and disposal of land and buildings in Australia on behalf of the Australian Government are important activities in the pursuit of the Government's urban and regional development policies. It therefore has been decided to transfer these functions to the Department of Urban and Regional Development. The Department of Services and Property continued to retain the control and management functions of the property.

Other parts of the Statement announced, inter alia, that the Government purchasing functions would pass from the Department of Special Minister of State to the Department of Services and Property (DSP); that the Australian Housing Corporation Act 1975 was to be the responsibility of the Minister for Urban and Regional Development; and that under proposed legislation the Cities Commission was to be abolished and its functions absorbed by the Department of Urban and Regional Development. Official notification of the changes appeared on the following day as a new Administrative Arrangements Order.

Whitlam had thus made his first move to control interdepartmental conflict, by amending the AAO. It had taken him two and half years so to act. Surprisingly, he had sought no advice from the PSB on the changes, presumably relying on advice from within his own office and department.

The amended Administrative arrangements were a complete surprise to the Department of Services and Property²⁴. This is shown by the despatch of a letter from Mr M.C. Timbs, Permanent Head of the Department, to Mr A.S. Cooley, Chairman of the Public Service Board (PSB) on the morning of Friday, 6 June. The letter with an attached submission proposed "a review of the property upper structure organisation of the Department" and a new "Australian Property Office". Mr Timbs advised he would be proceeding on leave from Monday, 9 June for four weeks and that Mr E. Wigley as Acting Secretary would be available for discussions on the proposal. Timbs took his leave as planned, and Wigley, First Assistant Secretary (FAS) in charge of the Property Division, was left to negotiate the terms of the seemingly totally unexpected transfer with Lansdown, Secretary of DURD. Further evidence of the surprise nature of the change, at least for Wigley, appears in some notes he made for a conversation with his Minister on 10 June in which he states:

... it is indeed a great pity that there was not close discussion before the decision was taken by the Prime Minister.

Neither was the PSB consulted about the change²⁵.

On 6 June the Administrative Arrangements Order (AAO) officially announcing the changes was published²⁶. The Order contained details of Executive Council Minute No. 23 of the same date, signed by the Governor-General and the Prime Minister. It stated in part that:

- (X) The enactments administered by the Minister of State for Urban and Regional Development include the Australian Housing Corporation Act 1975, so much of the Defence Services Homes Act 1918-1974 as does not relate to the insurance of dwelling houses under that Act, the Lands Acquisition Act 1955-1973 and the Lands Acquisition (Defence) Act 1968 and the matters administered by the Department of Urban and Regional Development include matters arising under the Australian Housing Corporation Act 1975, so much of the Defence Services Homes Act 1918-1974 as does not relate to the insurance dwelling houses under that Act, the Lands Acquisition Act 1955-1973 and the Lands Acquisition (Defence) Act 1968 and the following matter, namely, acquisition, leasing and disposal of land and property, including office accommodation, in Australia for Australian Government purposes;

Wigley had the weekend before Monday, 9 June to decide his line of action. He obviously decided to resist what he saw as DURD's 'grab' of his little empire²⁷. Resistance did not imply any illegal activity but rather the use of whatever administrative devices were available to slow down and perhaps modify the extent of the transfer of the property function. The politics of bureaucrat against bureaucrat were just beginning.

On Monday morning, Wigley sent a priority telex message to all Chief Property Officers in all States and Territories of Australia. He noted that some functions relating to the Lands Acquisition Act were to be administered by DURD, but stated that not all the functions of the Property Division were embraced by administration of that Act.

Any formal documents requiring authority under the Lands Acquisition Act should be prepared in the name of the Honourable T. Uren, Minister for Urban and Regional Development. Otherwise, please proceed as usual until further notice.

It is expected that it will be some time before detailed arrangements between Departments are completed.

The legal situation was that since the Lands Acquisition Act had become the responsibility of Uren all delegations under the Act had lapsed. Uren could either hold all powers under the Act himself or delegate some of them as is the usual practice. On the advice of his Permanent Head, Uren gave the delegation which the Secretary of Services and Property had previously held to Lansdown but renewed all other delegations to Services and Property officers. Administratively, the Property Division carried on as if no change had occurred except that where appropriate Uren's signature appeared instead of Daly's.

After an initial contact with Lansdown, Wigley met with Daly, his Minister, to discuss a response to the AAO. In preparing for the meeting with the Minister he recorded "Random Notes" which indicate his thinking at this time. He insisted that a literal reading of the AAO would mean different administrative arrangements from those claimed by DURD.

The issue of interpretation of the Order arose because the word "provision" with reference to "land and property, including office accommodation" was deleted from the superseded AAO and did not appear in the new Order. So, whereas the relevant section of Services and Property's functions prior to the change read,

Provision, acquisition and leasing of land and property, including office accommodation; control use, management and disposal of such property;²⁸.

under the new AAO, it read,

Control, use and management of land and property, including office accommodation;²⁹

and for DURD, it read,

.... Acquisition, leasing and disposal of land and property, including office accommodation³⁰.

Wigley noted Lansdown's reply to this point. The latter argued that, first, the new wording included "provision" and, secondly, that the new Order gave Services and Property a mere "caretaker" role, which was certainly not intended to include "provision". Wigley reluctantly admitted that Lansdown's interpretation would probably prevail, especially given "Uren's strength with the Prime Minister". Wigley also noted that he was informed by the Public Service Board and the Department of the Prime Minister and Cabinet that the Prime Minister and Tom Uren indicated to Menadue in discussion that DURD was to take over the acquisition, leasing and disposal of land as well as the provision of office accommodation. There would seem to have been no hope of the Wigley interpretation prevailing. His attempts to make it known to his Minister, Lansdown, DPMC and the PSB, are an indication of his unwillingness to accept new arrangements.

Other arguments against change were stated in his notes as follows: separation of functions "would take some time and would be most unsatisfactory to both Departments in the end"; with responsibility for the Lands Acquisition Act, DURD "has responsibility for a tremendous volume of work which really has no urban and regional significance"; the "caretaker" role for Services and Property "would have disastrous effects on the

present organisation and indeed the classifications of quite a number of officers in the Department particularly in the State Offices"; with a "mere caretaker role" DSP would have "a very minor responsibility in property and it cannot function without some authority under the Act"; since the "activities of the Survey Branch are particularly important to the acquisition and disposal action to be taken by DURD" and since the Survey Office and some sections of the Property Division are to remain with DSP, "then the working arrangements are going to extremely difficult and ... extremely messy".

Based on the assumption that resolution of problems involved in achieving the new arrangements would not be achieved overnight, Wigley proposed two alternatives. The first was for the Property Division to remain intact within DSP, operating the Lands Acquisition Act under delegated authority from the Minister for Urban and Regional Development. Wigley reported that Lansdown's initial reaction to the proposal was to say, "having now got the Act the Minister could hardly be expected to give it away again". Wigley's other alternative was to transfer all the functions of the Property Division to DURD. As he saw matters, the problem with the second alternative was that "DURDis not a popular Department with other Departments", so the possibility of being transferred to DURD has been received with dismay by the officers of this Department throughout the country".

It seems that Wigley's main aim was to preserve the Property Division intact whether it stayed with DSP or went to DURD. His unwillingness to accept the new arrangements derived

from that aim.

The Property Division, as a whole, has evolved over a good many years and indeed is an efficient working organisation in its total form

In effect, separation geographically or administratively would produce delays and inefficiencies which would be reflected in adverse public reaction. Any division of the Property Division will certainly be less than satisfactory to both parties. It will certainly disadvantage the officers concerned.

Wigley and Lansdown held further discussions on 11 June with Lansdown proposing four alternative lines of action. As reported by Wigley these were:

- (a) A further variation of the Administrative Arrangements Order which would involve the transfer of the complete Property Division.
- (b) Services and Property being responsible for "internal management" (without defining too precisely what this means).
- (c) (b) above plus responsibility for allocation of space.
- (d) (b) plus (c) plus responsibility for convening committees for programming purposes.

Wigley kept the options open by pointing out to Lansdown that "there could well be a number" of other alternatives.

Given Wigley's reluctance to split the Property Division it is not surprising that he wrote to the Chairman of the PSB on 12 June pointing out that because of the amount of work involved transferring the stores and transport function from the Department of Manufacturing Industry to DSP³¹, a delay in finalising the property arrangements could be expected "regardless of how much we all try to achieve the transfers

quickly".

By 17 June Wigley's officers had prepared briefing notes for his meeting with Lansdown that day. These notes contained details of how the property function staff might be shared between the two departments according to the four alternatives suggested by Lansdown and a further two suggested to Wigley by his own departmental advisers. In seeking advice Wigley's major concern was the degree of disruption to the existing DSP organisation. He was reassured that alternative (a), involving the transfer of the whole Property Division to DURD, would not affect staffing arrangements in the top structure of DSP including the proposed Management Services Division, because of the inward transfer of the Stores and Transport function and the Purchasing Commission.

After further discussion with Lansdown, Wigley requested his senior management officer on 25 June to prepare a draft section 29 report to the Public Service Board on the basis of transferring all staff positions in the Property Division.

Subject to final confirmation by Mr Daly, it has been agreed that the Property Division as a complete unit will be transferred to DURD.

This point having been resolved by the two Permanent Heads, the question arose of how to divide up the Management Services positions supporting DSP, including the Property Division. They decided that if they could not agree on the division then "the question will be resolved by the Public Service Board as arbitrator". Having reached this agreement in principle the Heads passed negotiations to their senior management officers, Mr L. Killeen (DURD) and Mr P. Westaway (DSP). Even though Lansdown and Wigley had reached preliminary agreement about transferring the complete Property Division, they both acknowledged that the AAO had not signalled such a move. They still had to agree on what the AAO meant in case decisions or events at the ministerial level necessitated operating under the existing AAO. The transfer of Property as a unit was really a concession by Lansdown, who only wanted those aspects of Property which he thought important in pursuing the Government's urban and regional policy. He made the concession to avoid a long, drawn-out process of dividing up Property Division positions. As a result he had to accept the less glamorous additional functions of cleaning, watching, security, lifts, repairs and maintenance which Lansdown, DPMC and the PSB agreed belonged to the "caretaking" role given to DSP by the AAO. Wigley assented to Lansdown's new proposal on 1 July. Killeen and Westaway continued negotiations on transfers for the two possibilities of total transfer and transfer of the whole division minus staff involved in the caretaking functions. As at 1 July, then, there appeared to be agreement between the Heads that one of two arrangements would prevail depending on ministerial preference. It seemed only a matter of time before

the details were finalised bringing staffing arrangements into line with the AAO either in its existing forms or with further amendment.

Despite this seeming agreement on Wigley's part he had been considering a new ways to frustrate DURD's takeover. In a minute to his Minister of 27 June, Wigley proposed the idea of an Australian Property Bureau which, he advised Mr. Daly,

gives some meaning to your portfolio as Services and Property but it would leave the Minister for Urban and Regional Development responsible for the Lands Acquisition Act and for the overall oversighting of strategic programming, etc., which is important to the Government's urban and regional development policies. It would preserve a unit, maintain staff morale and it would not clutter up DURD with a mass of matter which would not really mix well with the sort of Department that DURD really is.

By 2 July, Wigley had firmed in his opposition. He entertained the idea that if the AAO could be further amended to allow the whole Property function to be transferred to DURD then it could also be amended to return the whole function to DSP. Daly had left on an overseas trip and Mr Lionel Bowen was Acting Minister of DSP. After a telephone conversation with Bowen, Wigley sent a minute with an attached paper to Daly (to await his return) arguing the case against the transfer to DURD. His main points were that:

1. "DURD has never properly appreciated that administration of the Act is a 'service' function and is concerned with the formal implementation of predetermined programmes so far as acquisition (including disposal and leasing) is concerned, and that most of the work is involved in discussions, negotiations and formalities associated with land transactions and as prescribed by the Act. This administrative function fits very awkwardly with the DURD higher and broader strategic policy considerations."

2. "... it is inappropriate for the Act to be with DURD ... it would be undesirable for the Property function to be split - and the best course would be for the Act to be returned to Services and Property but whatever or not is returned the Property Division should remain intact where it is."
3. Lansdown had been pressing Wigley for a commitment. Bowen had advised Wigley to wait until Daly's return when Bowen would seek with Daly "to raise the matter with Uren and with the Prime Minister ... Uren would protest but Bowen was confident that could be overcome".
4. Lansdown "is seeking the Property function more as an 'empire building' exercise. DURD would find it very difficult to validly argue that it was necessary for its functions - and certainly it is not 'vital' to their policies, as they would have others believe".
5. "If the Act were to be returned the Administrative Arrangements could be appropriately amended to ensure that DURD does have an effective say at the appropriate stages of planning and programming"
6. "Even if the Act is not returned and the Arrangements not amended, the desired situation of the Property Division remaining intact where it is could still be achieved and DURD's objectives met by an arrangement between the two Ministers that would ensure that Services and Property would do nothing to conflict with DURD's concurrence."
7. "Should Property go to DURD your existing ministerial title of 'Services and Property' would not be appropriate."

Wigley's confidence seemed to be growing, as his next move was to send his first "Dear Bob" letter to Lansdown, containing a list of the "Management functions" which he considered remained with DSP under the AAO of 6 June. He must have known that Lansdown would not agree with the list of 21 items, since many of them were obviously claimed by DURD, such as those which made DSP

- "(6) Responsible for determining future use of Australian Government Lands in conformity with policies of urban and regional developments.
- (7) Responsible for maintaining a register of land and property held for Australian Government purposes."

Lansdown's reply expressed his growing frustration at the pattern of events:

Your attachment very much reflects the views which you put to me at our first personal meeting on 9 June and which I felt then as I do now were not consistent with the changes in responsibility which have been made

I feel that I have reached the point where I must press for finality in the matter ... I feel I must give the Public Service Board a Section 29 report today"

Lansdown immediately submitted a Section 29 report identifying 338 positions to be abolished in DSP and recreated in DURD, leaving 396 positions with DSP.

By 4 July Wigley had received advice from his officers that there was nothing in the AAO "to warrant any major transfer of staff from Services and Property to D.U.R.D."; that, apart from the administration of the Lands Acquisition Act, there was "no specific transfer of other functions of Services and Property", so "there is no reason why Services and Property should not continue operating as it does now"; and that a set of administrative procedures could enable DURD to achieve its policy objectives while maintaining existing staffing arrangements. That sort of advice was what Wigley wanted to hear. He sent his second "Dear Bob" letter. He first expressed satisfaction with the status quo:

... it is my understanding that since 6 June we had made arrangements which enabled action under the Lands Acquisition Act to proceed without impediment and for matters relating to Submissions for Budget Cabinet and indeed other things to be properly dealt with.

Then he referred to Lansdown's Section 29 report to the PSB:

I must point out that the division of positions is not

necessarily the division I would see and I am further surprised at the apparent assumption that I would agree to recommend the abolition of all the positions in the Department of Services and Property that are listed in attachment 'A' to your memorandum to the Board.

The picture was very clear to Lansdown: Wigley was not going to hand over what Lansdown wanted unless forced to by a further amendment to the AAO. That could really only come about on the agreement of both Ministers. On Daly's return Lansdown informed Wigley on 9 July that he had talked with Uren and urged discussion between the two Ministers. Both Ministers after discussing the situation spoke to the Prime Minister that same night and were invited to make a joint submission on any further amendment to the AAO. A letter on those lines and signed by both Ministers was drafted by Lansdown and sent under the letterhead of the Minister for Services and Property to the Prime Minister on 10 July. The proposed variation in the AAO was for the entire property operation to become DURD's responsibility. Lansdown in fact had decided that if he were to avoid further disputes over Section 29 report details, he should have not only the entire Property Division but also the Survey Division. Of its Property and Survey organisation, only sufficient staff for "the provision of accommodation, staff and other facilities for Members of Parliament other than in Parliament House" were to be left in DSP. The kind of logic used by Wigley throughout the discussions was turned against him in the Lansdown-drafted letter:

That property function is interwoven with the survey operation both functionally and organisationally and it makes a great deal of sense to us that property and survey should remain together in one organisation as

available in the existing property and survey staffs. It would avoid additional administrative costs through some duplication of staffing and get the maximum benefit from such arrangements as common record systems. It would avoid staff upset and preserve the career opportunities which exist in this field.

Since Wigley's Minister co-signed the letter, it looked as though the matter had been resolved in DURD's favour. Wigley's fallback position was to ensure the unity of the property function. He had fought for that throughout the negotiations. In a further effort to ensure functional unity Wigley wrote to Lansdown supporting the suggestion of an Australian Property Bureau, for which he gave Lansdown credit. His fear was that the two Divisions, if not consolidated organisationally as a Bureau, would be swallowed up over time in the DURD structure, being gradually reorganised so that the bits wanted by DURD would be more closely integrated with existing DURD Divisions and the unwanted parts would be hived-off in a "rag-bag" Division which could be transferred out of DURD at the first opportunity. Any such activity would mean that Wigley's efforts had been in vain. With the return of Timbs from leave, Wigley reverted to his position of First Assistant Secretary (Property). His authority to speak for DSP ceased, although he was still able to advise the Minister to press the Prime Minister and Uren for the establishment of a Bureau.

The matter was with the Prime Minister for almost two weeks before he wrote approving the proposed further amendments to the AAO. He directed that officials of both Departments and the PSB meet to devise "the most satisfactory arrangements for the early implementation of the proposal", and suggested that the possibility of establishing a Bureau be examined. He also

advised that he would arrange for amendment of the AAO only after "the question of the future name of the Department of Services and Property had been resolved".

Daly directed his Permanent Head to finalise the transfers "with a minimum of delay". Pressure also came from Lansdown. Timbs advised both that it would be illegal for him to make a Section 29 report to the PSB until the AAO had been amended. As a demonstration of good faith, however, he sent an undated Section 29 report to the PSB so that action could begin immediately the AAO was changed. That report covered all affected staff apart from management personnel. Since management staff served all Divisions in DSP, a sharing out of their numbers was still subject to agreement. Until agreement was reached, DSP was to continue to provide management services to the Property and Survey Divisions.

The Prime Minister's letter of 23 July raised the matter of a suitable name for the DSP remnant. Discussions between Daly and Timbs led to Daly's rejection of "Department of Services", "Department of Home Affairs" and "Department of Interior". Other suggestions put by Timbs to Daly were "Department of Services and Supply" (or "Supply and Services"), and "Department of Services and Procurement" (a possibility that produced a few bureaucratic belly laughs around Canberra). On 22 August, the Prime Minister assented to amending the AAO and came up with the name "Department of Services", subject to the concurrence of Daly. Having already rejected that name because of possible confusion with military services, Daly did not

concur and requested "Services and Procurement". Further consultation led to agreement on "Department of Administrative Services". DSP was officially informed on 15 September that AAO amendment proceedings prior to official proclamation could begin. Formal steps by the Governor-General in Council were necessary to secure the legality of the transfers. These involved: an Order issued on the advice of the Attorney-General under Section 19B of the Acts Interpretation Act to translate legislative references to the Minister or Department of Services and Property into references to the Minister or Department of Administrative Services; another Order issued to amend the AAO and to change the title of the Department and of its Permanent Head; the termination of the appointment of the Minister for Services and Property and the swearing-in as Minister for Administrative Services. It was expected that the transfers could be effected on 30 September.

Another matter, which was to prove to be the most important determinant of outcome, emerged on 30 July. Lansdown received an 'urgent' letter from Sir Frederick Wheeler, Secretary to the Treasury, raising the question of the legal availability of funds during the Supply period before Parliamentary approval of the 1975-76 appropriations:

On the face of things, it seems to me that there would be impediments to the use of Supply Act appropriations for meeting salary and other payments to transferred staff, and also other relevant administrative expenditures.

A letter along similar lines had gone from the Treasurer to the Prime Minister. On the following morning discussions took place

at Treasury instigation between representatives of DURD, DSP, the PSB and the Treasury on the financial implications of the proposed transfer. In a further letter to the Prime Minister on 31 July, the Treasurer, Mr Hayden, referred to "various financial aspects of this matter which appear to have been hitherto largely overlooked". The Treasurer put the position very clearly:

I am now advised that it seems that there is no way in which the proposed transfer of staff from Services and Property can be effected in advance of enactment of the Appropriation Bills without calling on the Treasurer's Advance. The earlier the transfer were to be effected, the larger the call on Treasurer's Advance would be. With a more or less immediate transfer, the amount needed from Treasurer's Advance (Treasurer's Advance No. 1) during the Supply period could be about \$10.5 million.

He then pointed out to the Prime Minister that assessments of requirements for additional funds to cover such things as the RED Scheme and Medibank in the Supply period exceeded the total appropriation in Treasurer's Advance No. 1 of \$120 million³². The Prime Minister would have needed no further convincing that DURD should wait for the Appropriation Bills to be passed by Parliament before staff could be transferred.

Lansdown wasted no time in seeking to counter the arguments and influence the Treasury. He wrote to Mr D.J. Munro, a Deputy Secretary of DPMC, offering comments on the Treasurer's letter to the Prime Minister. He first took issue with the claim that some financial aspects of the transfer had been "largely overlooked", pointing out that Treasury officers had been aware since June of the transfers³³. Secondly, he

criticised Treasury for offering the Treasurer's Advance, "with all the difficulties with which we as well as Treasury are aware", as the only possible source of funds. Lansdown referred to the problem here as seeming to be "a technical matter concerning the possibility of transfer of funds from one appropriation area to another". In fact, it seems to have been more than a technical matter, for in a letter from the Treasury to the Parliamentary Joint Committee of Public Accounts of 1 September explaining action taken on Appropriations for the transfers, it is stated:

On legal advice, it would not be possible to expend moneys from Division 570 to pay the salaries and administrative expenses of staff formally transferred to another Department. That advice would have to have been received from the Attorney-General's Department.

Thirdly, Lansdown indicated that if the Appropriation Bills for 1975-76 were to fund the transfers then "six months will have passed since the Administrative Orders were changed" and, referring to the temporary arrangements between Timbs and himself, "... you do not get good administration with such clouded arrangements". Fourthly, since the Treasurer's Advance will be "exceeded anyway" by additional funds for Medibank and the RED Scheme, then additional funds for the transfers could be sought at the same time.

The fifth point made by Lansdown referred to the final paragraph of the Treasurer's letter, according to which DURD was,

pressing to have provisions in the Appropriation Bills for funds for staff and associated administrative

expenditures in respect of the property and survey functions amalgamated with the provisions for its other general administrative expenditures.

The Treasurer's objection was that since DURD during negotiations had mentioned the possibility of establishing at some time a Bureau for property matters there would be "some advantages in separate provision in a new Division or Divisions of the Department of Urban and Regional Development appropriations" Lansdown's reaction that "It seems inconceivable that separation or otherwise could be significant from a budgetary point of view" is equivalent to saying it is none of Treasury's business how DURD is organised. The Treasury was attempting through its budgetary role to limit DURD's capacity to integrate the property and survey functions with its existing structure.

A curt exchange of correspondence between Lansdown and Treasury followed on 4 August over the issue of separate Property and Survey appropriations.

Lansdown was advised informally by DPMC that the Prime Minister had decided to defer the transfers until enactment of the Appropriation Bills. Even if he could not have the physical transfer of Property and Survey staff (about 2,400 officers), Lansdown had a fallback goal to have the administrative arrangements varied in line with the Prime Minister's 23 July letter. With an Executive Council minute and a Gazette notice of AAO amendment to back his position, Lansdown could feel more confident of the full and speedy transfer on enactment of the

Appropriation Bills. He advised Mr Munro of DPMC of these thoughts along with his concern about Treasury's attempt to maintain budget provisions for Property and Survey functions separate from those for the rest of DURD's functions. This difference between Treasury and DURD was discussed by Mr Killeen (DURD) and Messrs Daniel and Hill (Treasury) at Daniel's request on 5 August.

Treasury's position as put by Daniel was that "if there was clear Ministerial agreement at this stage that there was not to be a Bureau, then Treasury would agree that the Management interests would stand above all other interests". But, such clear agreement did not exist. According to Daniel, established practice would be against merging the appropriations until a ministerial decision to the contrary were made. The initial position was in favour of a bureau because that was the approach of the Prime Minister in his letter of 23 July. Treasury's second argument was that the Property and Survey functions are mainly "operational" so there would be merit in keeping them separate from DURD's more typical policy activities. In support of that argument it was pointed out that the Property and Survey functions operated under a separate appropriation when located in the Department of the Interior; and that the Overseas Property function, when transferred from Services and Property to Foreign Affairs, maintained its separate appropriations. Killeen's approach was to explore the question of who is "the final decision maker on the form of the Appropriation Bills". Daniel's answer was that since the Appropriation Bills are the responsibility of the Treasurer then the form they take is also

his responsibility. He added that the existing form of the Bills has no "basis founded in law but rather in custom, convention, Parliamentary folklore and the like", the major criterion being that satisfactory scrutiny by Parliament is ensured. Killeen noted that on some matters Treasury would consult with the Public Accounts Committee "to ensure that the form is likely to be acceptable". In his comments on the meeting with Treasury officials, Killeen wrote:

It seemed that Treasury is similarly 'accounting oriented' and its collective mind rather automatically turns to preservation of established accounting customs despite what appears to us to be the imposition of unnecessary internal artificial barriers to good management ...

Treasury has not been able to grasp that they are, in effect, trying to implant 'Old Spanish Customs' inherited from Interior and Services and Property into DURD and to make essential integration of some elements more difficult. This derives from a basic accounting orientation in my view.

The Minister, Tom Uren, became involved by sending a telegram to Hayden on 6 August complaining of Treasury's "unwarranted intrusion" in his Department's affairs. He ended by requesting Hayden to "ensure that the funds for salaries and administrative expenses of my Department are not separately identified". Uren followed up with a letter along the same lines to Hayden on the following day. Hayden's reply brushed aside Uren's claims, stating that the property and survey appropriations would be separate from the rest of the Department's appropriations "for clarity and propriety of presentation to the Parliament" and "to retain flexibility on the financial side pending a final decision" on whether the

proposed bureau would be established. A letter in similar terms went from Sir Frederick Wheeler to Lansdown. On 8 August Lansdown wrote to Wheeler expressing "doubts about the objectivity of the views being placed before the Treasurer" by Treasury officers. In his main point, Lansdown referred to the "advice which would have contributed to Mr. Hayden's letter (to the Prime Minister) of 31 July". He described advice that Treasury had taken the lead in discussions and that matters of appropriations had been overlooked by DURD as "misleading". He concluded the point:

To make any suggestion that this Department had been careless in inter-departmental contacts is simply inaccurate and misleading and must appear calculated to influence the outcome.

In pursuing the question of amalgamating DURD's appropriations instead of having a separate division for Property and Survey, Lansdown referred to points which Treasury had made to the Treasurer as representing "a quite one-sided technical and budget accounting view". Lansdown's argument was that, since it was for policy purposes that the Prime Minister had approved the transfer of functions so that they could be integrated with other DURD functions, then the

fact that there has been for so long a separate division for Property and Survey suggests to me at once that this practice should be changed ... Whatever at the moment emphasises separateness rather than integration in my opinion runs counter to the Government's objectives.

Lansdown finished the letter with a personal appeal to Wheeler based on his "known respect for the rights of Permanent Heads"

and requested an early meeting "to review the arrangement which presumably has been suggested to your Minister and to agree to advise Hayden to modify his position".

There is no reply to this letter on record.

Also on 8 August Lansdown wrote to Menadue asking that the AAO be varied immediately, "consistent with the Prime Minister's letter" of 23 July.

I ask this so that the officers involved, the unions, the Parliament, the Departments with whom we are working and the development industry are given clear formal advice of the Government's intention.

Lansdown accepted there would be no access to the Treasurer's Advance and acknowledged that the informal arrangement between Timbs and himself was working well. He also accepted that the PSB could not formally approve the Section 29 reports submitted by both Permanent Heads. He, nevertheless, argued for the further variation in the AAO so that the informal administrative arrangement could be "founded on a basis which is visible to all, firm and legal". Prior to sending this letter to Menadue, Lansdown had circulated a draft of it to Attorney-General's, Services and Property, the PSB and the Treasury. A reply came from Timbs expressing no opposition but declaring that "it is doomed to failure".

Uren wrote again to the Treasurer on 10 August requesting, inter alia, that the Property and Survey administrative expenses be amalgamated with those of the rest of DURD in the appropriation Bills. After a lengthy restatement of

arguments he summed up:

I hope we can agree that pursuit of the Government's urban and regional objectives in an integrated way, with urgency and clarity, is sufficient as a general concept to justify amalgamation of my Department's administrative expenses in one division.

In his reply, Hayden put forward the major reasons for having resisted Uren's request on previous occasions as his feeling "that it was important that we maintain a generally consistent approach throughout the appropriation documents" and the dislike by the Public Accounts Committee of any reduction in the details of appropriations put before Parliament. Thus saying, Hayden granted Uren's wish and extended the offer of amalgamation. In accepting the offer Uren made his views about Treasury's attempts to use the form of the Appropriation Bills as a determinant of organisational shape of departments very clear:

The form of organisation for the Property and Survey function is a matter which under the Public Service Act lies between the Permanent Head of my Department and the Public Service Board.

DURD had removed a possible obstacle once the staff transfers were completed. More immediately, since transfers were not possible before the new appropriations were passed by Parliament, the aim was to have the AAO further amended as soon as possible.

Mr J.C. Taylor, a Commissioner of the PSB wrote to Menadue on 11 August stating that the Board was "marginally inclined" to support the transfer of "the balance of the

property function and the survey function as proposed by Lansdown". That advice was not followed immediately since the Prime Minister wrote to Uren on 14 August stating that

necessary action, including an amendment to the Administrative Arrangements Order, should be deferred until after the enactment of the Appropriation Bills.

The logic of the letter is hard to follow since it gives as the reason for not amending the AAO that it would result in a \$10.5 million call on the Treasurer's Advance. as Uren and Lansdown were at pains to point out in all their correspondence on the matter, they would be satisfied with the further amendment to the AAO without the call on the Treasurer's Advance. It would seem that Commissioner Taylor's advice had not been received and its contents digested before the letter from the Prime Minister to Uren of 14 August had been prepared for signature. This is the likeliest explanation of the fact that the Prime Minister wrote again on 22 August overruling his own decision advised in the 14 August letter and informing Uren that he had begun the necessary procedures for "an early amendment" to the AAO.

The new AAO of June 1975 was not the culmination of some long-mooted plan by DURD to "grab" a major function of another department. Stories of departmental imperialism emerge from the belief that the minister and/or his senior bureaucrats fix longing gazes on some other minister's responsibilities, devise strategies and proceed deliberately towards takeover. If that is ever the case, and it is doubtful, it was certainly not with DURD's acquisition of the property function.

The many conflicts between DURD and DSP were not in themselves undesirable so long as they led to clarification and resolution of differences and did not unduly hinder programs output. Conflict can be an aid to sound policy-making. The problem with the two departments was that both insisted strongly on their positions, differences persisted, conflicts frequently had to go to Cabinet for resolution, the policy process was slowed considerably, programs were delayed and, most visibly, office blocks (for example) were not being built.

DURD had won on every front except in securing funds for necessary staff transfers where the force of its position could not prevail against the competing claims on the funds in the Treasurer's Advance. All that was necessary for the complete achievement of DURD's position in the matter was for Parliament to pass the new Appropriation Bills for the Whitlam Government. The Senate's refusal to deal with the Bills and the consequent dismissal of the Government meant the end of DURD's plans for the property function. After the election of the first Fraser Government, the Governor-General on 22 December 1975 issues an AAO which inter alia restored the property and survey functions to the departmental successor of DSP, the Department of Administrative Services.

Housing Policy

Uren had argued in December 1972 that the housing function should be part of his portfolio. He was overruled only because a portfolio had to be found for Johnson and so revived his argument after the May 1974 elections when relations with

Johnson was seeking to have the Australian Housing Corporation (AHC) of his Ministry. The takeover option was again sought by Uren in April 1975. He proposed to the PM that the AHC, incorporating Defence Service Homes (DSH), should be under the care of the Minister for Urban and Regional Development to be used in the development of growth centres and in the work of the Land Commissions³⁴. The other Divisions making up the housing side of DHC could also be transferred to DURD and readily absorbed while, according to Uren, the construction side of DHC could become a board of works³⁵. Administration of the housing and property functions by DHC and DSP respectively had plagued DURD's efforts and Uren was resolved to remove both obstacles. He put his view on housing to his friend, Dr Cairns, Deputy Prime Minister, in May 1975:

I have never been able to understand how housing policy can be divorced from urban development policy. Many of the problems we have run into in our cities arise because our predecessors attempted to separate the production of shelter - of accommodation - from other urban services. They attempted to deal with the problem by being concerned with numbers of houses without ever apparently realising that people need to have workplaces and other activities and facilities before the collection of houses is anything more than a series of isolated families struggling along in a state of alienation and anomie. We have something different to offer, which if followed, would lead to the creation of real communities. The control over who gets what housing where, which the Australian Government has, if effectively related to our urban and regional development policies, is another potentially powerful force for restructuring our cities³⁶.

Whitlam discussed Uren's claims, at the end of May, with Mr Hugh Stretton, an academic and influential writer on cities, who was to be a member of the AHC Board³⁷. The PM also

discussed the matter while in Adelaide with Uren. At the same time and in the same place, Menadue and Lansdown were covering the same ground as their ministers. The result of this consultation process was that at the 3 June Caucus meeting Whitlam asked Uren to indicate in detail what he wanted from DSP and DHC. It looked as if Uren would triumph and he wrote to the PM that day reminding him of the Adelaide discussions as well as the correspondence of 20 June 1974 and 15 April 1975 on the property function³⁸. He claimed all five Divisions and the Management Branch of the Housing side of DHC, with the exception of the Experimental Building Station which he suggested revert to the construction side³⁹.

When the new AAO appeared a few days later Uren had secured only part of his claim. Responsibility for property was transferred to him. He had also gained the AHC, including DSH, but otherwise DHC was to remain intact. Whitlam's solution was to replace Johnson with Mr J. Riordan who was to be also designated 'Minister Assisting the Minister for Urban and Regional Development'. It seems to have been central to Whitlam's understanding of cabinet government that if ministers forced into close contact by the nature of their portfolios could establish amicable personal relations they could readily overcome any interministerial differences that arose and could keep their departments in line. Daly did not want the property function so a transfer was in order as part of the solution to the difficulties between Uren and Johnson. But to dismantle DHC, the creation of which had been favoured by the PM, mainly because, on Whitlam's understanding, the two ministers could not

cooperate was for him too extreme, hence a change of minister. To ensure that the new Housing minister would be aware of what Uren was doing and thus help the relationship along, the concept of assistant minister appealed to the PM, particularly since the AHC would be in Uren's portfolio. The baffling aspect of the housing changes was that Uren, after putting a strong case for taking control of the policy components of DHC and receiving only one of them, the AHC, was given DSH, a large organisation with only slight policy responsibilities:

The logic of an administrative reshuffle which transferred to DURD, ostensibly a policy department, a major administrative function (the Defence Service Homes Scheme) and 1254 extra staff was hard to fathom
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to what members?

The answer probably lies in a combination of the Caucus-imposed constraint of having to keep 27 ministers and Whitlam's wish to give Uren some of what he had requested while keeping DHC substantially intact. It was thus a political solution but one taken without expert technical advice on the shape of the machinery of government. The PSB was not consulted by the PM on either the property or housing changes¹⁴².

In June 1975 the Budget discussions were nearing completion with ministers, briefed by their departments, ready to challenge whatever allocations the Cabinet Expenditure Review Committee (CERC) had recommended for them. Uren had proposed a budget for the AHC and made recommendations on the level of advances to the States for welfare housing¹⁴³. Lansdown had

not acquainted Reiher with Uren's proposals. Dr Keating as a member of CERC (Officials) and Uren as a member of CERC had inside knowledge of CERC's recommendations to Cabinet on housing allocations. DHC had no such access and it was only after Riordan received copies of relevant papers, including the CERC report, in mid-June that Reiher realised the pounding that DHC's proposals had taken and the threat to DHC's control of welfare housing funding that DURD posed through its responsibility for the AHC due to be legally created on 24 June. Without consulting Lansdown, Reiher hurriedly prepared a submission for Riordan to take to Cabinet in an eleventh hour bid to challenge the CERC recommendations on housing funds. The two permanent heads exchanged accusations of lack of cooperation and consultation over the competing proposals to Cabinet¹⁴⁴. Reiher was particularly incensed:

Consultation and co-operation is a two way affair and I have played and will continue to play my part to the full....⁴⁴

More important than the levels of funds involved was the fact that Uren had represented the AHC to Cabinet as a policy making body in the housing field. This statutory authority, initially intended by DHC to secure its control over housing was being used by DURD in a somewhat similar way. The struggle over policy territory had not ended with the change of Housing Minister:

My understanding of the administrative arrangements in respect of our two Departments is that while the

administration of the Australian Housing Corporation is clearly a matter for your concern and that of your Minister, the question of Australian Government housing

policy which will be the basis of the programs undertaken by the Corporation is a matter for this Department. I would expect that the initiative for identification of policies and programs which the Housing Corporation would carry out would emanate from this Department and desirably be a matter of joint Cabinet Submission between Mr Riordan and Mr Uren⁴⁵.

Once again, interpretations of the AAO wording differed. Reiher's retained policy control for his minister with the AHC having a purely instrumental role. In effect, the AHC would do only what Riordan and DHC allowed. By contrast, Uren and DURD wished to use the AHC so as to further urban and regional development policy and while not wishing to be or to be seen as an alternative housing policy. In reply to the policy exclusively claims of Reiher, Lansdown adopted a more pluralistic approach suggesting that the policy objectives of the AHC would not be decided "separately or specifically" by DHC or DURD but would rather be the result of proposals from a "number of sources": "This Department (DURD) would necessarily have a major input to make, given the range of responsibilities it has in the urban and regional field"⁴⁶. Within two weeks, Reiher had written twice more to Lansdown setting out his position in greater detail. In the first of the letters he insisted that in any joint submission on the AHC's activities, Riordan would sign because of his responsibility for housing policy and Uren because of his for the administration of the AHC Act. Reiher would go no further in allowing DURD a role in housing policy. He regarded that joint submissions on any

aspect of housing policy where the AHC was not involved or on the building and construction industry as inappropriate:

My view, basically, is that our Ministers should each continue to carry out, and to be seen to be carrying out, the specific functions that have been allotted to them by the Prime Minister through the Administrative Arrangements Order and that our Departments should consult and co-operate to the maximum practicable extent to ensure the utmost co-ordination of the Government's policies in the urban field⁴⁷.

This was a statement that, on his interpretation, DURD was attempting to trespass and he and his Minister would have none of it. The last of Reiher's June letters to Lansdown continued the theme of policy demarcation but attempted to come to terms with the Government's urban and regional development policy:

While fully recognising the wider urban implications and while being fully in support of sound urban development policies and actions, in my view housing and in particular welfare housing, needs to have an effective and substantially independent voice in Cabinet if the Australian Government is to be fully effective in housing policy while at the same time being effective in its wider urban policies⁴⁸.

The arrangement favoured by Reiher was one which allowed DHC and its Minister independent control of housing and construction policy with the demands of urban and regional development policy treated as one of a number of perhaps competing inputs and with the AHC as an instrumental authority under the guidance of the Minister for Housing and Construction on matters touching on housing policy. The essential point was that whenever it considered its policy interests were involved, DHC would

consider advice but accept no direction.

During this period at the ministerial level Uren had sought a closer relationship with Riordan than had proved possible with Johnson. In a conciliatory letter he proposed a meeting with Riordan in the presence of their permanent heads⁴⁹. In picturing the two of them building "a bridge of co-operation between our two Departments", Uren urged a minimum of duplication. He also urged Riordan, as Minister Assisting the Minister for Urban and Regional Development, to get an understanding of DURD's position by accompanying him to ministerial conferences, by being acquainted with senior officers of DURD and, if the PM approved, by being Acting Minister for URD in Uren's absence. Uren expressed the desire to get to know the senior officers of DHC "so that we can really work in a team spirit". The letter contained however at least one sentence bound to cause trouble on the issue of policy demarcation:

On the one hand you will be looking after housing on State initiatives, I think the new Housing Corporation will be looking at housing aspects on Australian Government initiatives.

The AHC had moved to centre stage. Many issues which had earlier dominated the relationship had been ephemeral manifestations of a fundamental problem, whereas the AHC, established under an Act of Parliament and with an organisational identity, could be about for some time as a continuing focus for interdepartmental differences. Its role and

powers would help to determine those of DURD and DHC.

Riordan's reply is a comprehensive statement of the position established by Johnson prior to June 1975. It asserted the very different interpretation of responsibilities held by housing people from that held by the Uren camp:

The interpretation of the Administrative Arrangements Order to the effect that I should deal only with Australian Government Housing Policy in so far as the State Governments see fit to ask for some housing action, is quite inconsistent with the Administrative Arrangements Order and as I see it, with a sound working relationship between ourselves and our Departments. It is totally unsatisfactory so far as I am concerned.

Also your reference to the Australian Housing Corporation as the body to be looked to in respect of Australian Government Housing initiatives is again not consistent with my understanding of the Administrative Arrangements Order or with the Australian Housing Corporation Act which establishes the Corporation as an operating body to carry out Government policies and not as a housing policy body itself⁵⁰.

Here was the point about interpretation of the Administrative Arrangements Order with the added complication of interpretation of the AHC Act. Riordan also objected to Uren's concept of the Minister Assisting role. He suggested that the two of them meet to discuss these fundamental issues before their two permanent heads be brought into any formal meeting of ministers. This expression of Riordan's position was similar to that in Reiher's letters to Lansdown of 19, 24 and 30 June. Although it is almost certain that Reiher was the author of his Minister's letter also, the significant point is that Riordan in signing it had swiftly come to adopt a stance similar to those of his predecessor and his permanent head.

Riordan wrote to the PM on 9 July about Uren's AHC Cabinet Submission and responsibility for housing policy generally. Whitlam's reply invited discussions "in due course" of the question of responsibility for housing policy⁵¹. A joint submission on the AHC from Uren and himself had been suggested by Riordan. This would have challenged Uren's wish to have his existing Submission stand. Whitlam's preference was that "Ministers as far as possible settle any differences of view before proposals come to Cabinet". He also informed Riordan that he wished to

let Mr. Uren's Submission lie. Any changes in the proposals agreed between you and Mr. Uren before the meeting can be brought to Cabinet's notice orally. The proposals in any case may be affected by the recommendations of the Ad Hoc Committee which Cabinet will also have before it⁵².

Whitlam's letter advised of an indefinite postponement of any discussion to resolve the question of responsibility for housing policy. It also contained a refusal to deal with the specific issue of the AHC's budget and programs until it came before Budget Cabinet in the form of Uren's Submission. By 1 July that Submission had already run the gauntlet of the CERC (Officials) and so had a good chance of being accepted by CERC and the full Cabinet⁵³.

Advice to Lansdown from within DURD was that the Riordan/Reiher view of the AHC was in error in that there was no legal basis for the DHC assertion that the AHC had to look to

that Department for the determination of housing policy⁵⁴. It was also brought to Lansdown's notice that recommendation (b) of the AHC Submission, still to be approved by Cabinet, required the Minister for URD to consult with Cabinet colleagues as appropriate only on matters affecting the allocation of funds among programs. Another piece of advice to Lansdown, from the temporary head of DURD's Building Industry and Housing Branch, made a "tentative" attempt to divide policy responsibilities between DHC and DURD vis a vis the AHC:

As to the division of responsibility between ourselves and DHC, I see them playing a supporting role to DURD across most of the field, other than in DURD's specific policy areas; and a major role in issues such as market stabilisation, supply of materials and labour, evaluation of costs, the balance between public and private sectors and co-ordination with the State Governments (but probably not with local governments). My viewpoint is probably distorted by the opinions prevailing in DURD of the past and present abilities of DHC....⁵⁵.

Probably the most significant thing about this last offering is what it reveals by implication of the general contempt with which many senior DURD officers regarded the abilities of most senior DHC officers, particularly where economics and statistical skills were involved⁵⁶. Lansdown's position was located somewhere between the views of the two Ministers as expressed in their correspondence and in only partially accepting the advice of his officials his stance would have given some hope to Reiher:

Generally speaking I would take the position that the Coporation does have a policy function and so does its

Minister. It is a little difficult to argue that the H&C are only concerned with welfare housing and I believe we have to grant them a wider role than that. Nevertheless the Housing Corporation and its Minister must have some freedom of manoeuvre and of initiative presumably working within Housing guidelines established by H&C.

This may not be too palatable and there may be alternatives (emphasis added)⁵⁷.

Reiher did not wait about for a resolution of the problem of AHC's role and relations with DHC and DURD. He acted to impress his own position upon his fellow AHC Board members. Although Uren had responsibility for the AHC this did not guarantee that DURD could control the policy stance of the AHC, especially in the early stage of its existence. The reason for this was that the AHC had no policy staff and so the members of the Corporation had no source of advice within the organisation. They could and did use other sources of advice to which they individually had access. The result did not suit Lansdown:

the argument is largely in a vacuum and DHC have the opportunity to take initiatives. This in fact is happening at the moment with Mr Reiher urging certain policy views backed by the resources of his Department and agreeing that he will bring up papers at the next meeting⁵⁸.

Lansdown acted quickly to ensure that the AHC was seen to be an extension of DURD not of DHC. He asked for papers to be prepared for the 25 July meeting of the AHC which avoided competing with DHC but sought to convey an appreciation of DURD's wider role:

Part of the background to this request is that the AHC

is still far too much the brain-child of DHC and I want to alter that⁵⁹.

Relations between the ministers and between their departments had steadily worsened prior to June 1975. With a change of minister for DHC the PM expected that the difficulties would have eased. Although the personal relationship between Uren and Riordan was better than that between Uren and Johnson, the new minister seemed to have adopted his predecessor's stance. The surprising feature in the relationship at ministerial, permanent head and executive officer levels was the almost total reliance upon ad hoc bilateral communication and negotiation which tend to emphasise personalities: correspondence exchanges and meetings on a one-to-one basis at each level. When the individuals involved fall out, communications become difficult, distrust reigns and differences deepen. The ministers were not talking in May 1974 and again just prior to Johnson's removal in June 1975. The permanent heads, while continuing to talk, were approaching a crisis in their relationship over a policy control situation confused further by the ill-defined role of the AHC. These problems at the top were reflected in the two departments, appearing as distrust of DURD within DHC and contempt for DHC within DURD. What was needed was a set of formal procedures at least some of which should provide a capacity to arbitrate between the two departments.

A telephone conversation between the two permanent heads following Lansdown's receipt of Reiher's 24 June letter was directed to discovering procedures to improve consultation and

collaboration. Lansdown identified four suggestions as having arisen in the conversation: a regular ministerial meeting in the presence of both permanent heads; the location of an Assistant Secretary from DHC in DURD for liaison; the attendance of Reiher at meetings of SIDCURD, with DHC to seek membership from the PM; the establishment of a standing IDC with DHC and DURD as the focal members to operate in a similar fashion to the Standing Joint Transport IDC, the major formal liaison mechanism between DURD and DOT and operating at the permanent head level⁶⁰. The interest shown by Lansdown in these formal, supplementary methods to achieve better communications was a belated recognition that DHC existed as a policy entity able to compete with DURD. Up to this time Uren and DURD had insisted upon treating DHC as the kind of department they wished it to be, with primarily administrative tasks and a minor and subservient policy role.

Setting up the proposed mechanisms would prove to be far more difficult than acknowledging their potential usefulness had been. Whether the ministers would agree to a regular meeting was for them to decide and in their recent correspondence they merely resolved to have a single meeting. Reiher's intention to locate a second division officer (a scarce resource) in DURD was dependent upon DURD's recognition of the policy role claimed by DHC⁶¹. Since that was not forthcoming, neither was the outposted official. The third suggestion was that DHC would attend SIDCURD as an observer while seeking membership. That DHC's predecessor, DOH, was not an original member in March 1973 is the clearest indication of Whitlam's and Uren's perception of

DOH, probably accurate at the time, as a minor department with uncontroversial policy functions and likely to be readily dominated by DURD. No DOH representative ever attended SIDCURD and the record of attendance to 7 April 1975, covering 17 meetings, discloses that DHC attended, as a visitor, only three times⁶². Reiher had requested DURD's support in gaining membership in his meeting with Troy of 21 January 1974, but DURD had taken no action to secure that. Life on SIDCURD was difficult enough for DURD without the addition of another member. The final suggestion, to establish a standing IDC jointly chaired by DURD and DHC, was the easiest to implement since it did not threaten unduly the interests of either department and was within the authority of both permanent heads. It would operate as a formal arena for the permanent heads and senior executives to meet regularly.

It was the proposal to set up some kind of standing committee which appealed most to Lansdown. He proposed a monthly meeting between Reiher and himself and their senior officers with an agenda and business papers⁶³. This would be in effect a Standing Joint Housing IDC similar to the Standing Joint Transport IDC. Lansdown also moved to establish formal interdepartmental links less reliant upon relationships at the ministerial and permanent head levels. Two senior DURD officers, Mr Norman Fisher and Dr John Franklin, both associated with the Building Industry and Housing Branch, were asked by Lansdown to make themselves known to DHC officers in an attempt to establish personal and formal bonds at an executive level. Fisher was appointed also as DURD's liaison with DHC, to call

upon Reiher weekly.

Fisher quickly made headway. After making his intentions known, he was contacted by Dr Athol Richards and Mr Ron Thomas, both from the construction side of DHC located in Melbourne, expressing the desire for "close and cordial relations" in relating DHC's works program to the activities associated with DURD's property function, newly acquired from DSP⁶⁴. They agreed to meet. The initiative developed into perhaps the most successful forum for consultation between the two departments with regular meetings, approximately monthly, conducted in the most cooperative and friendly manner. At the third meeting, on 10 September, Fisher suggested and Thomas agreed that the scope of discussions be widened to include housing matters⁶⁵. Fisher interpreted this agreement to mean that the liaison meetings could provide a "broader forum" and invited the senior officers of those Divisions of DHC which

shared DURD's housing interests to take part⁶⁶. The liaison committee on property and building matters was about to become a standing joint IDC at the FAS level to discuss all matters of common interest.

In another initiative, Fisher and Franklin lunched with Mr Fred Argy and Mr Ken Muir, FAS and AS respectively in the Industry Resources Division of DHC, on 11 July. Franklin reported that the two DHC officers,

indicated a willingness to work closely and harmoniously

with us and to avoid so far as possible becoming involved in the disputes which are going on at Ministerial and Permanent Head level⁶⁷.

The responsibility for arranging a monthly meeting between the permanent heads also fell to Fisher who drew up an agenda containing major items of difference⁶⁸. He made a similar effort to arrange for a regular meeting between the ministers⁶⁹. A comment from Lansdown on Fisher's efforts contained not only praise but also an indication of just how bad relations were at the top:

I would like to commend with the utmost enthusiasm the contact you made with the officers from Housing and Construction. It is comforting to know that you are able to establish good will at that level. I will be doing all I can to defuse the issue as between Mr. Reiher and I but whether much can be done between the Ministers remains obscure. In these situations the best thing to do is to isolate your Permanent Head and Minister and bring them into arrangements as little as possible - while naturally keeping them informed⁷⁰.

As the rift at the top continued into August so Fisher and Franklin extended their network of contacts in DHC. They lunched with Mr Austin Selleck and Mr Murray Williamson, FAS and AS respectively in DHC's Housing Assistance Division, on 11 August:

He Selleck struck us as more of a 'hard liner' than Mr. Argy, inclined to query the need for DURD's direct involvement in housing and to view the resolution of the impasse at Ministerial and permanent head level as essential to the development of a more effective joint approach by the two Departments⁷¹.

At the ministerial level, very little contact had occurred since Riordan took over as Housing Minister in June. Uren's invitation to meet in the presence of permanent heads had been rejected with the claim that the two ministers had to clear up a few matters before involving officials⁷². In reply to a letter from Riordan, the PM had urged the two ministers to sort out the policy problems between themselves⁷³. That had triggered a drafting process in DURD to produce for Uren another letter inviting a meeting with Riordan, a process which seems to have taken DURD more than a month. The letter went from Uren to Riordan on 21 August. Once again the tone was conciliatory. It contained details of the housing policy-making scheme to which Uren subscribed, acknowledging DHC's responsibility for housing matters but indicating the 'close interest' DURD had to take in housing matters in line with its brief from the ALP Platform, to be responsible

for co-ordinating, in co-operation with other Australian Government departments and instrumentalities, the initiatives and activities of those departments and instrumentalities in urban and regional development⁷⁴.

This was an appeal beyond the AAO to the Party's official position, beyond narrow departmental responsibilities to an appreciation of the need for integrated housing, social welfare and urban and regional development policies "to ensure that

every family can secure accommodation of its own choosing appropriate to its own needs"⁷⁵. So much Riordan could probably, if reluctantly, have accepted, but he reacted when Uren suggested that DHC's proper role was limited to undertaking initiatives with State authorities leaving federal level initiatives, including those involving the AHC, to DURD⁷⁶.

During the 1975 Budget discussions in Cabinet it was decided that the AHC would take housing initiatives and would have a budget in its first year of \$25 million⁷⁷. At the PM's suggestion Cabinet agreed that Uren would have to have the agreement of the Minister for Housing and Construction on those initiatives as well as clearance of financial details by the Treasurer before funds could be appropriated⁷⁸. Uren had received no clearance for his suggested AHC programs or its funding by 24 September when he wrote to both Riordan and the PM for support. He complained to the PM of bureaucratic delays and requested him to make clear that housing policy operated in an urban and regional development policy framework. There were three areas of alleged delay. First, program and funding clearances had not emerged from DHC and the Treasury. Secondly, the AHC's legislation required that programs be implemented by

regulation. DURD had approached the Attorney-General's Department for priority to be given to drafting the necessary regulations, otherwise DURD would have to wait in the queue. The reply had been that an order for priority would have to come from the Attorney-General. Uren thus sought Whitlam's agreement that the Attorney-General be advised to instruct his department to observe the claimed priority. Thirdly, because of limited funds from the Budget the AHC had to limit its programs to applicants earning up to 110% of average weekly earnings, whereas a figure of "say 125%" would have been preferred by Uren. To improve the AHC's funds position Cabinet had decided to amend the Corporation's legislation to enable it to borrow on capital markets. Discussions had been held by officers of DURD and AHC with Treasury officials on the urgent introduction of the necessary amendments, but as with Attorney-General's it would require a specific instruction from the minister, in this case the Treasurer, to his department before swift action would be taken. Uren thus sought Whitlam's intervention. Here were three matters involving considerable delay for the AHC. All required supportive action by other ministers after the PM's intervention had established their priority.

There was still no accommodation of views between Uren and Riordan and would not be until some of the claims in Riordan's July letters could be modified or withdrawn. Alternatively, the PM would have to give an authoritative decision on roles and

demarcation. The final point in Uren's letter to the PM was the "the role of housing policy within the overall framework of urban and regional policies" should be established. Once that was done the roles of various departments and authorities (including the AHC), and responsibility for programs and projects, could be determined. Uren suggested that the PRS Report on Housing and "other suggestions", presumably from Ministers, could be the basis of a discussion between the PM and other Ministers to resolve the prolonged differences.

The much heralded meeting between Uren and Riordan was held on 2 October. It was by Uren's account "worthwhile"⁷⁹ and apparently also "amiable"⁸⁰. There was agreement on the nature of Riordan's involvement as Minister Assisting Uren.⁸¹ The matter of cooperation and co-ordination between the two ministries was discussed with agreement on the following: all new physical housing initiatives should be channelled through the AHC; DURD, the AHC and the policy sections of DHC should collectively examine the financial aspects of housing policy generally; DURD is the responsible body on resource allocation matters in the building and construction area; DHC should be involved with, but not in control of, indicative planning for the housing and construction industry; and DHC is involved with the non-residential sector only because of its long-standing consultative role and not so as to be involved with resource allocation.

There is an astonishing turnabout by Riordan in the 2 October agreement from the position he presented in his July letters. The explanation seems to be that as a new Minister he was initially captured by his department, accepting the argument that DURD was violating his policy jurisdiction. That position had been developed by Johnson and Reiher. Through Cabinet discussions, particularly Budget Cabinet, Riordan was made aware of the interrelationship of the policy areas and their development from the ALP Platform. Cabinet had recently decided that the AHC should develop proposals for land use planning and management of surplus government lands and Riordan had ordered his department to liaise closely with the AHC, particularly in developing proposals for the surplus Long Bay Rifle Range which was within Riordan's electorate.⁸² Uren suggested similar close liaison in developing plans for surplus defence land in Randwick, also in Riordan's electorate. Riordan and Uren were convinced that any differences existing were between ministers and should be resolved by them. Their departments should not reflect those differences.

Mr. Riordan had very strong feelings on the issues of bureaucratic demarcation and conflict. He feels that there should not be any and that co-operation and co-ordination is essential. As you know, I also hold similar views. We agreed that whenever possible we would solve all our differences outside Cabinet and present a unified front to Cabinet on housing issues⁸³.

This is the "counsel of perfection" model of government, otherwise known as the policy/administration dichotomy, which completely discounts departmentalism and administrative politics. It is not surprising that interdepartmental conflict should have

been so bitter and prolonged if such views were widespread among ministers. The obvious inference from Riordan's behaviour and firm statement on administrative politics is that he felt he had been caught in a dispute largely made by officials and resulting in policy difficulties and delay. He meant to clip the wings of Reiher and other senior officials in his department and to consult with senior DURD officers on a wide range of issues to learn the details of DURD's side of the dispute. A meeting took place on 29 October between Riordan and several of DURD's most senior second division officers, in which he was briefed on the role and operations of DURD and the links with DHC, including matters which were trouble free, as well as those subject to dispute.

Even though the two Ministers had met and agreed so much on 2 October, difficulties lingered at the permanent head level and the two had not met on an agreed agenda for a long time. Fisher had been trying on Lansdown's behalf since July to bring the permanent heads together as well as pursuing other initiatives to keep officers of the two departments in close consultation. His monthly liaison meeting with officers from the construction side of DHC had proved very successful, though he was having less success with Reiher. Lansdown's advice suggests the difficulties:

I think you should concentrate on the levels below Alan Reiher for reasons which will be obvious to you but let's have a meeting with him on an organised basis as soon as possible⁸³.

A meeting was eventually arranged for 12 November, the day following the dismissal of the Whitlam Government. The meeting was postponed and was never held.

Conclusion:

Responsibility for each of residential land, Commonwealth property, and housing had been allocated to a different minister, for URD, S & P and H & C respectively. The three matters were closely related in any case, but particularly so given DURD's claims. DSP had viewed DURD's property activities as trespassing in a traditional bailiwick and upsetting a well-run operation. With the housing function, the situation was different. Uren and DURD found a Housing Minister and Department bent on expanding into a vast housing and construction empire. The PM, no doubt impressed by early initiatives such as the renegotiation of the Housing Agreement, was initially on side with Johnson, as is shown by the creation of DHC. The amalgamation of Housing and Works, as much as anything, showed the PM's lack of appreciation of what Uren was about. It had been difficult enough for Uren to deal with Johnson and his lightweight policy department. The amalgamation promised Johnson an empire, confirmed him in his view of the fundamental importance of a housing policy context for government action, opened the way for the PSB to strengthen considerably the organisational capacity of the new department, especially in policy and economic areas, and provided the ambitious Minister with an ambitious and capable permanent head.

In the two and a half years before June 1975, a number of contentious matters had arisen, the main of which were the following: the Housing Agreement and emergency housing funding to the States; inner city areas - Glebe, Emerald Hill, Waterloo and Woolloomooloo; growth areas - Albury-Wodonga, Holdsworthy and Belmont; land commissions; office construction; membership of SIDCURD; the PRS report on Housing; the proposed DHC housing green paper; and the Australian Housing Corporation. These were the major manifestations of substantial jurisdictional overlap.

As was the case with the property function, both departments had authoritative documentation for their conflicting approaches to housing and construction matters. However, whereas Timbs did not have a close relationship with Lansdown, and conflict was addressed on various IDCs, Reiher and Lansdown communicated often and met frequently. Their ministers had a tempestuous relationship, similar to that between Jones and Uren over urban transport. When the Ministers were not talking, senior officials including the permanent heads, though in dispute, maintained contact. IDCs were not often the meeting place of the two departments and DHC was not even a member of SIDCURD. Where they did meet on IDCs, as on IDCIPHI, their positions were broadly in agreement. The integrating mechanism was thus not the IDC as was the case with DSP, or any other formal mechanism, but rather the cohesiveness, despite friction, of the senior officials of both departments.

Once again, the integrating mechanism did not operate to resolve conflict since most difficulties continued throughout the life of the government, even if pushed to the back of the stove to simmer. Rather, it managed conflict over any particular issue until an authoritative resolution might emerge, probably in the form of a Cabinet Decision.

The takeover tactic did not work well for DURD. In the first place, the PM gave Uren little of what he requested on the housing side. Secondly, the amendment to the AAO on property responsibilities had an ambiguous wording which the acting head of DSP sought to exploit in trying to preserve the status quo. Treasury also took the opportunity in the property changeover negotiations to resist DURD's activities whenever its corporate view of what DURD's jurisdiction entailed departed from that held by DURD. In addition, the participation of DPMC and the PSB in those negotiations, required under established procedures, proved a source of delay and frustration for DURD. The way the process operated beyond DURD's control, even though Uren had formal responsibility for the property function, says much about administrative change in Australian government.

The AAO, under the PM's control, is the official document for instituting change. But, it can be seen from this chapter that the PM's command to amend the AAO is merely a trigger for action. The details of the action and the outcome over a period of about six months are largely determined by the attitudes and actions of other ministers and other departments, particularly the central authorities. In this way, changes in the

administrative apparatus reflect changes in the balance of forces within Cabinet. The length and complexity of the change process ensure that jurisdictional claims are thoroughly tested and those found wanting fail or are only partially successful. DURD's claims were still undergoing the testing or clearance process when the Whitlam Government was dismissed. Whether they would have succeeded is therefore hypothetical but there are sufficient signs to indicate that success was likely, especially given that the Minister for Services and Property was not averse to the transfer of function.

Success on the property transfer would have given DURD more control over formerly contentious aspects of policy which would have helped DURD in carving out a claim for a distinctive and widely accepted policy jurisdiction. Any such claim would be an attempt to establish DURD as a policy department as opposed to a coordinating department. There is a strong implication in that kind of effort that Uren and senior officials in DURD had abandoned the notion of a resource or policy coordination role and had set their sights instead on developing a powerful policy role dependent upon direct ministerial control of functions related to an 'urban interest' conception of policy.

With the takeover strategy, Uren and DURD finally provided evidence that they had seen the writing on the wall about their coordination aspirations.

E. CONCLUSIONS

CHAPTER NINE

JURISDICTION: THE LIMITS TO COORDINATION

There was obviously a total failure by DURD to achieve any kind of coordinating capacity. The grand design of a high powered, high status, small organisation with a small, highly skilled, highly paid staff, with the ability to control policy and resources within a defined sector of government business and the economy had evaporated like the morning mist. Uren and DURD had succeeded in no activity which would have earned them favourable mention in any of the six categories in Self's schema introduced in chapter one. The reality in November 1975 was that DURD was carving out a functional policy role in matters which did not overly challenge the interests of other departments, relying on voluntary cooperation for any achievements which involved an interdepartmental aspect. Both DURD and its minister had to adapt over three years their collective view of what their jurisdiction entailed. Chapters two to eight give the flavour and much of the detail of DURD's forced retreat.

An explanation of why DURD could not succeed can now be proposed. It is suggested in chapters two and three that DURD did not receive the necessary legitimacy and other resources from either the ministerial or departmental levels to enable it to undertake positive coordination. The superdepartment was a coordinating device not available to DURD. Its subsequent efforts, traced in chapters four to eight, have an heroic element as Uren and his senior officials used every resource at their disposal to fulfil their

mission. Some of the more important of its efforts, recounted in earlier chapters, were as follows:

1. National Urban and Regional Budget. This was meant to be DURD's major resource coordination instrument but was never achieved.
2. National Urban and Regional Strategy. This was to take the form of a policy paper which would have the backing of Cabinet, constituting a plan to be implemented government-wide. It was only ever endorsed in partial form for use in the 1974 election.
3. Regions. DURD drew up a regional configuration which it attempted to impose on all Commonwealth Government departments and authorities.
4. Regional Programs and Budgets. The Area Improvement Program was intended by DURD to operate in a way which promoted DURD's overview. The related regional budget was to facilitate DURD's control of spending regionally.
5. Urban and Regional Development Block in the Annual Budget. There were proposed to be blocks or sectors in the economy identified in the forward estimates process. DURD offered itself as the peak department or coordinator of one such block. The introduction of

medium-term assessment in the economy as a government-wide activity was intended as a necessary planning element in the scheme.

6. Interdepartmental Committees (IDCs). The Standing IDC on Urban and Regional Development (SIDCURD) in particular was intended to positively impress DURD's approach on the activities of other departments. It and the other IDCs chaired by DURD did not manage even a consistent standard of negative coordination.

7. Urban and Regional Interest. This concept was used by DURD towards the end of 1975 as a way of delineating a sector of government activity in which DURD could claim a leading role. The concept had some short-term success after the Whitlam Government was removed in that the Fraser Government established a Department of Environment, Housing and Community Development (EHCD) apparently based on it.

All of these devices were intended to assert DURD's resource and policy primacy but all involved jurisdictional competition and conflict with other departments. Quite apart from the rejection by others of DURD's power to coordinate, DURD had other serious difficulties. Its own policy was rarely firm or clear in a way which would have appealed to Cabinet as the basis of a positive strategy. Competing policies of functional departments were shorter-term, more

urgently replying to demands of the electorate, and generally more narrowly focussed and manageable than DURD's offerings. DURD's approach to policy seemed to make a virtue of overlap and comprehensiveness. It was generally greeted with suspicion and even hostility. Its jurisdictional differences embroiled DURD in administrative politics with other functional policy departments and with the central agencies keen to eliminate all signs of overlap and duplication with their negative implications for efficiency, effectiveness and coordination.

Mitigating Jurisdictional Conflict:

A Westminster-derived Cabinet system of government relies on five major features of its operations to bring coherence to government outputs and processes, mitigating, muting or generally managing interdepartmental conflict: solidarity in Cabinet; political control of the administrative apparatus; powerful central agencies with coordinative and integrative functions; cohesiveness of senior administrators; and a highly institutionalised system of interdepartmental consultation on matters which overlap jurisdictions¹. The first two of these five features belong to the ministerial level, the other three being the preserve of officials.

DURD officials looked to the ministerial level for help as their own efforts were regularly forced into submission on IDCs. It was always the muscle of Uren with the PM's support on which DURD's senior officials relied ultimately for success. Uren was intended through his membership of key Cabinet and Caucus committees, particularly early in the life of the Whitlam Government, to wield sufficient power to enable DURD to succeed. He was a central member of the Cabinet Standing Committee on Urban and Regional Development, Forward Estimates Committee and Economic Committee. In Caucus, he had membership of several committees, particularly that on Urban and Regional Development. Later on, after the standing committees of Cabinet and Caucus had fallen into disuse, he was a member of several ad hoc Cabinet Committees, especially the Expenditure Review Committee (CERC), the Mineral Resources Committee and the Australian-State Regional Relations Committee (ASR), all chaired by the PM, and Uren chaired the Brisbane Committee which was charged with oversight of the Moreton Regional Exercise as well as being a member of the Regional Employment Development Scheme Committee (RED) and the Special Assistance to Firms in Non-Metropolitan Areas Affected by Structural Change Committee (SANMA). On all of these committees, Uren had a mixture of successes and failures but he made no headway on a general coordinating capacity for himself or his department. His attempts to have the Labor Party Conference at Surfers Paradise give him such a capacity backfired badly. The greatest success which Uren had was in persuading the PM to allow him to take over the property function which Fred Daly wished to discard anyway. Generally, Uren experienced far too much opposition from Cabinet colleagues to be of much assistance to the officials of his department.

More than most other ministers Uren could usually get Cabinet support for his programs and was also more successful than most at obtaining the levels of appropriations he wanted for those programs. That was in part a tribute to his determination and fighting qualities and an indication of the respect which his colleagues generally had for him, but it was also due partly to the Government's, especially the PM's, general though somewhat vague commitment to urban and regional development. That commitment was understood, however, by most Cabinet members, including the PM, only in terms of programs and appropriations and in giving Uren the occasional victory over the Treasurer². Few members of Cabinet appreciated that a full commitment to the Uren conception also meant supporting a national strategy and a national urban and regional budget, with regional equivalents, and allowing Uren and DURD to exert a degree of control over their activities and spending:

Cabinet was happy to support an urban policy as a bundle of programs without understanding that many of the programs were devised to change the decision-making process itself. Nor did Cabinet appear to have accepted that the thrust of the urban and regional development initiatives would have an impact on the programs of other ministries³.

To most of the Cabinet an appreciation of that intent would only have led to a rejection of Uren's role, since it would have established him as something of an overlord, anathema to the Labor Government for which Caucus had ruled there would be 27 equal ministers, all members of Cabinet. The message from other ministers was clear: Uren could have functional programs like the Area Improvement and National Estate Programs, but he could not coordinate, no matter what the PM's statement on DURD's functions may have said.

The specific issue of the appropriateness of Uren's claimed coordination role rarely arose in Cabinet⁴. It was, nevertheless, implicit in the many disputes he had with Cabinet colleagues over such areas as government office building, urban transport, housing, planning and regionalism⁵. In general, the Labor Cabinet was committed to letting individual ministers get on with the job of reform within their own portfolios. Ironically, this wish to not interfere in the provinces of other ministers led to Cabinet's paying "insufficient attention to the interaction, overlap and inconsistencies of its decisions"⁶. It led to differences, often serious, between ministers, prompting them to seek to limit the control of their rivals in disputed areas. There was no cohesive Cabinet spirit and no commitment to a collective view:

Lack of common purpose led Uren to complain that the Cabinet often acted as though its ministers met as foreign ministers of twenty-seven different countries⁷.

The same fragmented mode of operation which characterised plenary Cabinet was evident in its standing committees. From the time they were established, all but one of them did not work well and after the May 1974 election the four unsuccessful committees quickly fell into disuse, although none of the five was disbanded in the Whitlam period⁸. Ad hoc committees, individually sanctioned by the PM, replaced them. Uren had achieved little through the Cabinet Standing Urban and Regional Development Committee, which met seventeen times between December 1972 and April 1974, but only twice between May 1974 and September 1975⁹. He made a determined bid to be more successful through the ad hoc committees and was a member of most of the more important of them. Uren was no more successful, however, through the Brisbane Committee which he chaired than he had

been in other arenas. The portfolio interests of individual members were paramount, as had consistently been the case whenever Whitlam's ministers met.

Any system of government derived from that in Westminster is operating out of balance if either individual or collective ministerial responsibility is too dominant. In Australia, certainly before 1976, the former had been the case ever since Chifley's Government lost power in 1949 and the institutions of government reflected that lack of balance¹⁰. A weak DPMC and neglected Cabinet sub-structures meant an overreliance upon both a strong Treasury and the personality and leadership of the PM to ensure a collective government view. Once Menzies had departed, the Treasury alone was left to pursue that end. As the Cabinet substructures were eroded in that period, so individual ministers came to operate with fewer restrictions. The collective view was predominantly a simple aggregation of the portfolio views of individual ministers with no attempt at synthesis, acceptable enough when government lacks the complexity and scale which produce policy competition, overlap and confusion, but increasingly less acceptable throughout the 1960s and into the 1970s as government took on more complex policy functions and more of them while budgets multiplied in size. The strains on the unbalanced government apparatus were inherited by the Whitlam Government in 1972 along with everything else and could be eased only by corrective action taken by the elected level.

Although acceptance of some astute advice to the Labor Government had led to the creation of the system of standing committees of Cabinet, it had failed quickly and no other

institutional efforts designed to produce a collective view of issues were tried until late-1974. Cabinet continued to operate as it had before Labor's accession except that, having no inner Cabinet it was bigger and less wieldy than its predecessors:

The form of Cabinet meetings was heavily influenced by the preference of the prime minister and by the departmental origins of most items on the agenda. Strategic or general discussions were rarely held and there was no system for providing information and position papers which could provide a basis for such discussions ... Ministers were largely pressed into the roles of departmental advocates. Co-ordination is often seen as a central task for Cabinet but, in the Whitlam government, it was a process that took place around it rather than in it¹¹.

As with previous governments, the ability to form a Cabinet stance depended on the PM's ability to first recognise policy inconsistencies and then bring the ministers involved or, less frequently the whole Cabinet, to resolve them. It was a style of Cabinet government not suited to what the Labor Government was committed to achieving:

Any examination of the recent past must conclude with the finding that the Commonwealth Government was pursuing policies that were contradictory ... it seems that reforming governments bring these contradictions and inconsistencies into high relief¹².

It was government by shopping list with individual ministers placing ticks alongside specific items in the election manifesto as legislation was passed, authorities set up and programs established, while Cabinet was little more than a ritual gathering to consider proposals ad hoc, with insufficient regard to policy interrelatedness and usually with little or no debate. Of course, there were on occasion fierce debates, but they were usually caused by one minister's proposal being seen as a threat to the portfolio interests

of some other ministers, rather than by differences of opinion on a matter of strategic importance to the Government. The matter in dispute was usually sent back from Cabinet for the ministers involved to seek a solution among themselves, which meant through normal interdepartmental channels. It was certainly not the norm for Cabinet to give a definitive decision in such a case. Whitlam's ministry could not operate Cabinet government. Uren's more radical notions involving coordination had no chance of success in such a fragmented ministerial situation.

Whitlam was aware of the confusion in Cabinet and took measures beginning in late-1974 to increase his personal control with the hope of producing a coherent Cabinet position. He replaced the head of DPMC, Sir John Bunting, an excellent operator of the increasingly unsatisfactory mode of Cabinet government in use since Menzies' time, with Mr John Menadue, who was to be the PM's chief operative in the search for solutions. By early December, the PM had decided to set up the Policy Co-ordination Unit (PCU) within his own Department to vet Cabinet submissions, initiate policy measures and generally seek to bring a general view across the range of Government policy¹³. It was not so much to bring a Whitlam gloss to the activities of the Government as to develop coherence, consistency and credibility for it in a time of economic difficulty, through increasing the PM's organisational capacity in decision making. Operation of the PCU led naturally to an eventual vast expansion in the coordinating and policy advice capacities of DPMC. a process brought to culmination by Mr Fraser with the assistance of three successive vigorous departmental heads, John Menadue, Alan Carmody and Geoffrey Yeend¹⁴. The various ad hoc Cabinet

committees created and chaired by Whitlam in 1975 indicated the same wish to gain a tighter hold on the business of government.

Whitlam's efforts had begun to produce the institutional approach necessary to make modern Cabinet government effective, but he did nothing about lessening the accumulated power of the Treasury, so necessary if the locus of de facto policy coordination were to shift to the PM and his Department. That action, too, was taken by the Fraser Government¹⁵. Nor did Whitlam do enough to control the personalities in his Cabinet. When asked in October 1976 whether he planned, if again PM, to "keep a stronger hold" on his Cabinet, Whitlam replied:

Yes. Obviously I should have been stricter with some ministers in their conduct and in the appointments they made¹⁶.

Even here, Whitlam seemed more concerned with the behaviour of his ministers than with their ability or inability to develop a coherent policy overview. His approach was thus not so much to increase Cabinet's capacity to devise such a coherent view as to develop the capacity within his own hands to form that view which he could seek to have Cabinet adopt. That approach may be better described as prime ministerial than cabinet government, but it is an effective antidote to the worst excesses of departmentalism¹⁷. The system of standing Cabinet committees which was designed to aid collective decision-making had failed ignominiously and the failure may have proved to Whitlam that further efforts in that direction would be equally futile, particularly given the huge number of matters coming before Cabinet and the competing demands on the time of ministers¹⁸. In any case, though the state of affairs was not

particularly of Whitlam's making, he had neither done enough nor taken action early enough to redress the imbalance in Cabinet operations. It could be, of course, that he was not permitted to do so by Cabinet or Caucus, but perhaps that assumes too much about Whitlam's desire or capacity to detect problems quickly in the administrative apparatus of government and attempt to solve them.

The PM, too, was limited in what he was willing and able to do for Uren and DURD. His favourite ploy when jurisdictional difficulties emerged was to make the contending parties jointly responsible for contentious aspects of jurisdiction. There are numerous examples of Whitlam's fondness for this administrative solution and some which involved DURD follow:

1. With the Department of Transport, DURD had joint access to the Bureau of Transport Economics and the Commonwealth Bureau of Roads; Both departments chaired the Joint Transport IDC; Both departments were responsible for the National Roads Program;
2. With the Department of Environment and Conservation, DURD had joint responsibility for the National Estate Program;
3. With the Department of Housing and Construction, DURD was jointly responsible for the Glebe Project, the Growth Centres Program and (also with the Department of Administrative Services) the Office Construction Program in the final months of the Whitlam Government;
4. With the Department of the Prime Minister and Cabinet, DURD jointly chaired the Standing IDC on Assistance to Industry in Non-Metropolitan Areas Affected by Structural Change.

Whitlam proved reluctant to affect the relative responsibilities and power of his ministers by amending the Administrative Arrangements Order in situations of inter-ministerial conflict. His agreement to do so, at Uren's urging, over the property dispute was probably because Daly had no objection to losing the function. Where the minister would have objected, and strongly, as in the case of housing policy, the PM transferred the Australian Housing Corporation (AHC), a statutory authority, to DURD but chose to leave DHC intact. Instead he removed one of the contending ministers, Les Johnson, replacing him with a minister who would have the added portfolio responsibility of assisting Uren in Urban and Regional Development.

The mismatch between DURD's purported coordination role and Cabinet outputs in matters affecting urban and regional development highlights the fatal effect which insufficient support from Cabinet had on DURD's ability to function as its officials thought it should. The lack of a coherent view in Cabinet certainly meant that Uren did not have the power to positively coordinate policy or resources.

Where the ministerial level is proving particularly inept at expressing Cabinet solidarity (which the Whitlam Government was) or holding a good level of political control over the administrative apparatus (which the Whitlam Government was not) positive coordination, extending from isolated policy initiatives to grand all-inclusive plans, suffers. In that environment emphasis shifts to the official level. Only DPMC as official representative of both the PM and the Cabinet has the legitimate jurisdiction of positive coordination of policy. No minister or agency in the Whitlam

Government had a positive coordinating jurisdiction over resources, a task which would normally fall to a Minister and Department of Economic Planning. We have seen that prior to 1975 DPMC played its role in a very low-key fashion. Not only was that so, but it also sought Treasury advice on every Cabinet submission, passing that advice, usually without amendment, to the PM as its own position¹⁹. This gave Treasury a share in what small amount of positive coordinating capacity was exercised in Australian Government, something it could not validly have claimed in a more open way, especially if DPMC did not invite its involvement.

Of course, the main procedural role of Treasury is negative, as is also the case for the PSB. Thus, when the emphasis for coherence in government falls on the official level it also falls on the negative coordination in which these agencies specialise. Procedure moves to a position of dominance over substantive policy. In that situation, which prevailed in the Whitlam Government, any agency which offended Treasury's and the PSB's common emphasis on efficiency and economy, including the avoidance of jurisdictional overlaps, could expect only harsh treatment to the extent that it offended.

Cohesiveness among senior public servants, the second of our conflict mitigating features at the departmental level, was strong in the Whitlam period, but, as we saw in chapters four to eight, did not always include DURD's top officials. There were periods in the relationships which DURD had with both DHC and DSP when the permanent heads were not talking to each other. The cohesiveness was strongest among officials of the central authorities who saw their common

mission as protecting the procedures which produced 'good government'. In different terminology they were 'minding the machine', the most important task of all ²⁰. DURD, lacking Cabinet backing, was bound to be seen as an interloper by central officials, a view they shared with officials from DURD's policy competitors.

Thirdly, as was seen in a number of chapters but particularly in chapter five, a highly institutionalised system of interdepartmental consultation on matters which overlap jurisdiction (in the form of IDCs) existed in the Whitlam period. Its operation as the strongest force for negative coordination at the departmental level blocked many of DURD's initiatives.

A lack of Cabinet support for DURD combined with the fact that Cabinet was so generally fragmented had a doubly damning effect on DURD's ambitions. It meant not only that the positive Cabinet thrust, which would have given DURD's role a high governmental priority, was missing but also that the resulting emphasis for conflict mitigation on the departmental level made negative coordination with its conservative bias dominant.

What all of this demonstrates is that the normal process for mitigating jurisdictional conflict in Australian Government overcomes organisational design features which promote such conflict but it does so in a conservative fashion. This is particularly so when the burden of achieving coherence falls mainly upon the departmental level as is the case when Cabinet is fragmented. It is possible then for government to operate with any particular set of administrative arrangements no matter how absurd the arrangements may appear to an

organisational rationalist²¹, but there is a cost. That cost is the loss and slowing-down of government outputs and the stifling of policy initiatives as government departments experience serious jurisdictional overlap, until such time as one or more of the mitigating features can establish sufficient control. To the extent that costs are considered, the views of the organisational rationalist, emphasising principles of organisation, are valuable, but only insofar as it is recognised that organisational design as a process of modifying administrative arrangements to manage jurisdictional conflicts is an endless, ongoing activity. To help governments to be aware of when and where jurisdictional difficulties within its administrative apparatus need attention because of the dysfunctional effects the resulting administrative politics are having on government outputs, a capacity to maintain a watching brief on such matters could be institutionalised. A special unit along these lines has already been mooted²². It may be sufficient, however, for a section of DPMC to have the role.

Handling the URD Initiative Better:

One question which arises is how the URD initiative might have been better handled by the Whitlam Government. The major reason for using the departmental form in this case was political symbolism, to make plain to the electorate what was being done²³. It is clear that a separate Minister for and Department of Urban and Regional Development was a failure as an attempt at coordination. Even had Uren been given a Cabinet overlord role in a sector of government business he and his department would have struck trouble with the central authorities as Cabinet became increasingly fragmented during 1973 and 1974. Our discussion of coordination and jurisdiction

suggests that the appropriate way to undertake the urban and regional development initiative would have been either for a ministerial committee chaired by the PM with a membership of key ministers including the Treasurer to be established or for the PM to handle the responsibility himself. In either case there would have to be a commitment to the approach strong enough to resist competing demands. That is always the rub.

Parallel institutional support would have existed at the departmental level with either a committee of senior officials from member departments chaired by DPMC or a section within DPMC being established. Procedural values are best promoted by specialist agencies to ensure that they are accepted as government priorities service-wide. DPMC was and is the home of positive coordination at the official level and, had it been upgraded early in 1973 instead of two years later, it could have ensured that a concern for urban and regional development matters was shared by all departments. It should be appreciated that DPMC as promoter of coordination would not also be promoting urban and regional development as a substantive value. It would do so only at the risk of upsetting its relationships with other departments²⁴. Rather it would promote urban and regional development as a series of programs and other activities under standard functional headings such as defence, education, housing and so on. There is grave doubt in any case whether such a thing as urban and regional development policy actually exists independently of the functional classifications²⁵. The points made here about coordination, jurisdiction and administrative politics strongly reinforce that doubt.

ENDNOTES

1. Tom Uren, Urban Australia and the Australian Environment: What Can We Do? Sydney, Fabian Society, 1971; E.G. Whitlam, The Whitlam Government 1972-1975, Viking, 1985, chapter nine; DURD, First Annual Report 1972-1973, AGPS, Canberra, 1973, p. 8.
2. The Administrative Arrangements Order (AAO), authorised by both the Prime Minister and the Governor General, is published in the Australian Government Gazette. It identifies the minister who is responsible for particular government functions (column two) and for particular pieces of legislation (column three).
3. Details from a draft of the aide-memoire prepared on 1 March 1983.
4. Ibid.
5. Ibid.
6. Ibid.
7. Ibid.
8. DURD, First Annual Report, op. cit., p. 9.
9. Aide-Memoire of 1 March 1973, op. cit.
10. DURD, First Annual Report, op. cit., p. 8.
11. Ibid, p. 7.
12. Ibid., p. 8.
13. For a discussion of most aspects of this debate see B.B. Schaffer, The Administrative Factor, London, Frank Cass, 1973, especially chapters 4 and 5.
14. Christopher C. Hood, The Limits of Administration, John Wiley and Sons, ¹⁹⁷⁶chapter 4; Peter Self, Administrative Theories and Politics, Second edition, London, Allen and Unwin, 1977, Chapter 2.
15. Martin Painter and Bernard Carey, Politics Between Departments: The Fragmentation of Executive Control in Australian Government, St. Lucia, University of Queensland Press, 1979, pp 4-6.
16. Ibid., p. 5.
17. In Britain the Treasury has that task: Peter Self, op. cit., p. 99.
18. Martin Painter and Bernard Carey, op. cit., p. 6.
19. The term 'jurisdiction' is discussed in e.g. the Encyclopaedia of the Social Sciences, New York, Macmillan, 1932(1963), pp 471-7.

20. An extensive computer search of two major information banks - the United States Political Science Documents (DIALOG File 93) and PAIS International (DIALOG File 49) - revealed no entries with direct relevance to the aspects of administrative theory used here. Most of the references are to legal and intergovernmental aspects, of indirect relevance only. In his 1977 book, op. cit., Peter Self does use the term occasionally in the way it is used here. (See e.g. p. 87.)
21. Encyclopaedia of the Social Sciences, op. cit., p. 472.
22. Inside Bureaucracy, New York, Wiley, 1967; On domains see Marshall W. Meyer, 'Organisational Domains', American Sociological Review, 40(5), October 1975, pp. 599-615.
23. Christopher C. Hood, op. cit., pp 59-71.
24. R.N. Spann, 'Bureaucracy and the Public Service' in H. Mayer and H. Nelson (eds), Australian Politics: A Fifth Reader, Longman Cheshire, 1980, p. 245: See also L.F. Crisp, 'Politics and the Commonwealth Public Service', Public Administration (Sydney), XXX1(4), December 1972, pp. 287-309.
25. Information from interviews with various actors in the event, e.g. P.N. Troy on 17 May 1977 and Michael Keating on 28 August 1980, both in Canberra.
26. R.N. Spann, Government Administration in Australia, Sydney, Allen and Unwin, 1979, p. 412.
27. Anthony King, 'Overload: Problems of Governing in the 1970s', Political Studies, XXIII, 1975, pp. 162-74.
28. Martin Painter, (1)'Central Agencies and the Coordination Principle', AJPA, XL(4), December 1981, pp. 265-80. (2) Chapter One, 'Coordination and Complexity' of Steering the Modern State, unpublished manuscript.
- Leon Peres, 'Principle or Interest? Changing Roles within Australian Government', Melbourne Journal of Politics, No. 3, 1970, pp. 26-33; 'So Where's the Coordinating Capacity Coming From?' in R.F.I. Smith and Patrick Weller (eds), Public Service Enquiries in Australia, University of Queensland Press, 1978, chapter 17; 'Science Policy: The Australian Experience', Melbourne Journal of Politics, No. 12, 1980, pp. 30-5.
29. Peter Self, Administrative Theories and Politics, op. cit., pp. 99-103.
30. The relevant works of Peres and Self are cited above. The major contribution of Ely Devons is 'The Problem of Co-ordination in Aircraft Production', in D.N. Chester (ed), Lessons of the British War Economy, Cambridge University Press, 1951, Chapter VII; reprinted in Sir Alec Cairncross (ed) Papers on Planning and Economic Management, Manchester University Press, 1970.

31. 'Resource and Policy Coordination under Pressure', in Richard Rose (ed) Challenge to Governance, London, Sage, 1980, pp. 29-51.
32. Ibid, p. 30.
33. Ibid.
34. Ibid, p. 31.

CHAPTER TWO

1. Martin Painter, 'Policy Co-ordination in the Department of the Environment 1970-1976', Public Administration, 58, Summer 1980, pp. 135-154.
2. DURD Submission to the Royal Commission on Australian Government Administration (RCAGA), November 1974, pp. 2 and 12.
3. DURD was created de novo, the first since 1901 when four of the original nine departments were so created, by Executive Council Minute No. PSB 1972/47 on 19 December 1972.
4. Interview with Mr (now Sir) Geoffrey Yeend, Canberra, 10 February 1977.
5. Ibid.
6. Interview with Mr. P. Troy, Canberra, 17 May 1977.
7. Ibid.
8. Ibid.
9. Ibid.
10. Ibid.
11. Ibid.
12. Quoted by Bruce Juddery, At The Centre: The Australian Bureaucracy in the 1970s, Cheshire, 1974, p. 159.
13. Ibid.
14. On the reasons for the creation of the BTE see M. Summers, "Transport Costs and the Bureau of Transport Economics", Canberra Comments, September 1970.
15. Juddery, op. cit., pp. 158-9, 170.
16. T. Uren, Urban Australia and the Australian Environment: What Can We Do? Sydney, NSW, Fabian Society, 1971.
17. Letter from E.G. Whitlam to Tom Uren, 31 January 1973.
18. Ibid.
19. C.J. Lloyd and P.N. Troy, Innovation and Reaction: The Life and Death of the Federal Department of Urban and Regional Development, Allen and Unwin, 1981, p. 94.
20. Ibid, pp. 93-4.
21. Ibid, p. 93.

22. Letter from E.G. Whitlam to Tom Uren, 31 January 1973, op. cit.
23. Fred Brenchley, "A New Role for Charlie Jones' Superdepartment: fare collector for DURD", National Times, August 6-11, 1973, p. 7. Confirmed in an interview with P. Troy, 17 May 1977.
24. Telegram from Mr Harold O'Neill, private secretary to Mr T. Uren, to Mr Lansdown, delivered 24 December 1972.
25. Minute from Lansdown to Uren, 2 January 1973.
26. Details are from a draft of the letter which was sent sometime in January.
27. Ibid.
28. Ibid.
29. Ibid
30. Ibid.
31. Ibid.
32. Letters in identical terms from Whitlam to Uren and Jones.
33. Lloyd and Troy, op.cit., p. 47.
34. Ibid, p. 50.
35. Ibid, p. 53. It is an important departure that Draft II presented the Standing IDC on URD as being at "senior officer level" and not necessarily at permanent head level as it had been from its creation.
36. Ibid, pp. 54-5.
37. Ibid, p. 56.
38. Ibid, pp. 57-8.
39. It is not uncommon for some third division offices to appear in the top structure chart of a department where they are of director level or equivalent, in which case they will usually be class 10 or 11 positions.
40. Lloyd and Troy, op.cit., pp. 58-66.
41. Ibid, pp. 60-1.
42. Ibid, p. 63.
43. Ibid, p. 64.
45. PSB, "Case Study No. 1: Creation of the Department of Urban

and Regional Department", submitted to the RCAGA under covering letter of 13 December 1974.

46. PSB, Background Information, Volume 3, provided to the RCAGA. p. 1.
47. Lloyd and Troy, op. cit., pp. 60-1. DURD's public statement on its experiences with the PSB over staffing the new department is contained in its Submission to the RCAGA, Chapter 4 and Appendix II.

CHAPTER THREE

1. Sections 20 and 22 also deal with efficiency and economy.
2. Public Service Board, 1973 Annual Report, AGPS, Canberra, 1973, pp. 42-2.
3. Ibid.
4. PSB, First Submission to RCAGA, p. 20. See also PSB Memorandum No. 15 to RCAGA, pp. 37-8 and PSB, Second Submission to RCAGA, pp. 21-2.
5. PSB, Background Volume 6, p. 1.
6. An alternative account of this episode forms Chapter 5 of C.J. Lloyd and P.N. Troy, Innovation and Reaction, Allen and Unwin, 1981.
7. As at March 1974 the number of staff in this Division was 57, with the largest branch, No. 1, having 24: Background Information submitted by the Public Service Board to the Royal Commission into the Australian Public Service: Volume 2, The Role and Operations of the Public Service Board, Canberra, PSB, June 1974, p. 76.
8. Ibid, p. 66.
9. PSB, Second Submission to RCAGA, pp. 91-4. See also PSB, Memorandum No. 25 to RCAGA.
10. Third Report, 1952-53, Canberra, 1953, p. 6.
11. PSB, Background Information, Volume 2, op. cit., p. 17.
12. Received by the PSB on 19 February.
13. Interviews with Mr L. Killen, Canberra, 11 April 1980 and Mr P. Troy, Canberra, 17 May 1977.
14. BTE, Economic Evaluation of Capital Investment in Urban Public Transport, Canberra, June 1972.
15. R.B. Lansdown, "Note for File", DURD 74/868, 13 February 1973.
16. Cabinet Decision No. 166, 13 February 1973.
17. The Decision gave rise to such study IDCs as that on Urban Public Transport with DOT, DURD, DPMC, Treasury and DSI as members, and that on Freight Movements with a membership of DOT, DURD, DCA, BTE, CBR, DEC, Treasury and DSI.
18. National Times, 6-11 August 1973.
19. Ibid.
20. Details in a letter from Uren to Whitlam, 14 February 1973.

21. Ibid.
22. An account of which is in Chapter 2.
23. Mr B. Cox from DPMC acted as minutes secretary. Details of the meeting are in a minute from R.B. Lansdown to L. Killeen, 5 March 1973. Unless otherwise stated this document is the basis of and source of quotes for this discussion.
24. Discussion is based upon, and quotes taken from, a draft of the aide-memoire prepared by DURD on 1 March 1973.
25. Interview with P. Troy, Canberra, 17 May 1977.
26. This intention was flagged in point 5(a) of the aide-memoire.
27. PSB notification to DURD, 20 March 1973. DURD notified the PSB that funds were available for the appointment on 30 March; the PSB issued the formal recommendations to create the position on 10 April.
28. Interview with P. Troy, Canberra, 17 May 1977.
29. Lansdown to PSB letter, 27 March 1973.
30. Under covering letter from Whitlam to Uren of 28 March 1973.
31. Letter *ibid.* Also quoted in a letter from the Chairman of the PSB to the PM, 11 April 1974.
32. See Lloyd and Troy, *op. cit.*, p. 87.
33. Interview with P. Troy, Canberra, 17 May 1977.
34. Information from various interviews: with Mr W. Butler and Mr W. Harris, Canberra, 11 May 1977; with Mr P. Troy, Canberra, 17 May, 1977.
35. Letter from Mr A. Cooley to the PM, 30 April 1973.
36. Of 2 May 1973.
37. Of 4 May 1973.
38. Letter of 13 June 1973.
39. Interview with P. Troy, Canberra, 17 May 1977.
40. Distributed as follows
 Level 6: Attorney-General's, 3; Treasury 3; Supply, 3; PMG, 2; Defence, 1; Statistician's Branch, 1.
 Level 5: Repatriation, 1; Works, 1.
 Source: Compendium of Commonwealth Service Information, PSB, February 1972, p. 6.
41. PSB, Second Submission to RCAGA, *op. cit.*, p. 91.

42. Interviews with Mr L. Killeen, Canberra, 11 April 1980 and Dr C. Higgins, Paris, 7 September 1981.
43. Interview with Dr P. Wilenski, Sydney, 1 March 1977.
44. Ibid.
45. Some detail is in Bruce Juddery, At the Centre, op. cit., pp. 66-7.
46. Interviewees have commented on Whitlam's preference for letting ministers "sort things out among themselves".
47. Neal Swancott, "Tempers Fray as Ministers Play the Power Game", Australian Financial Review, 11 July 1973.
48. David Solomon, "Only a few fireworks at ALP Federal Conference", Canberra Times, 14 July 1973. It is suggested in Solomon's report that Hayden was motivated by the wish not to have to compete with a powerful DURD if he were to become Treasurer.

CHAPTER FOUR

1. This does not include the Cabinet Forward Estimates Committee established separately by the PM with Uren a member.
2. Details in Colin A. Hughes "Australian Political Chronicle, September to December 1969: The Commonwealth", AJPH, Vol. XVI (1), April 1970, p. 76.
3. Richard Farmer, Daily Telegraph, 10 October 1973, p. 14.
4. Colin a. Hughes, "Australian Political Chronicle, September to December 1972: The Commonwealth", AJPH, Vol. XIX (1), April 1973, pp. 76-8.
5. C.J. Lloyd and G.S. Reid, Out of the Wilderness: The Return of Labor, Cassell, 1974, pp. 122-3.
6. Lloyd and Reid list ten members, treating Housing and Works as under one minister, not the case until October 1973. See Lloyd and Reid, op. cit., p. 142.
7. PSB, Compendium of Commonwealth Public Service Information, Canberra, February 1972, p. 2.
8. The Director, War Service Homes, a specialist position, was established at level 3. Details in PSB Compendium, February 1972, p. 6.
9. Ibid.
10. See chapter three.
11. Ibid.
12. Notified in the Commonwealth of Australia Gazette, No. 108, 20 December 1963, in lieu of original notification in No. 106A, 18 December 1963 which contained an error.
13. Commonwealth of Australia Gazette, No. 7, 17 January 1964.
14. For a brief administrative history of the Defence (War) Service Homes Scheme see DHC Submission to RCAGA, Vol. 1, Attachment No. 2, October 1974, pp. 39-40.
15. Ibid, pp. 40-42 for a brief administrative history of the Commonwealth Government's involvement in general housing.
16. Executive Council Minute 42 of 1945.
17. Submission by DHC to the RCAGA, Vol. 1, op. cit., p. 40.
18. Executive Council Minutes 26 of 1952.
19. Commonwealth of Australia Gazette, No. 8, 21 January 1965.
20. Housing Loans Insurance Act, 1965, notified in Commonwealth of

Australia Gazette, No. 87, 5 November 1965.

21. States Grants (Dwellings for Aged Pensioners) Act, 1969, notified in Commonwealth of Australia Gazette of 16 April, 1970.
22. States Grants (Housing) Act, 1971, notified in the Commonwealth of Australia Gazette, No. 17, 6 March 1972.
23. Commonwealth Directory 1972, Prime Minister's Department, Canberra, 1970.
24. C.J. Lloyd and P.N. Troy, Innovation and Reaction, Allen and Unwin, 1981, p. 105.
25. Canberra Times, 24 November 1972.
26. Interviews with Dr R. Mendelsohn, Canberra, 10 April 1980, and Mr P. Troy, Canberra, 17 May 1977.
27. Letter of 10 January 1973.
28. Les Johnson, article in A Supplement to the Australian, 5 February, 1973, p. 11.
29. Ibid.
30. Memo from Mr John Mant of Uren's private staff to Lansdown, 12 January 1973.
31. Ibid.
32. Letter from Uren to Johnson, 7 February 1973.
33. There is no record of any such IDC in the evidence to the RCAGA. See Martin Painter and Bernard Carey, Politics Between Departments, UQP, 1979.
34. Letter of 7 February, op. cit.
35. Canberra Times, 2 July 1973.
36. Interview with Mr P. Troy, Canberra, 17 May 1977.
37. Australian Government Directory 1973 Interim Edition, Canberra, AGPS, 1973, pp. 117-20.
38. For some of the proposed schemes made public, many of which came to nought, see John Edwards, The National Times, 15-20 July 1974, p. 7.
39. See chapter three.
40. Australian Financial Review, 15 November 1974.
41. Report of a comment by Mr A. Selleck at a meeting between DURD and DHC officials on 11 August 1975 in a note for file no.

74/378 by Dr J. Franklin, 11 August 1975.

42. Lloyd and Troy, op. cit., p. 106.
43. Figures released on 9 October 1973 showed that over the previous ten years the Canberra cost had risen by 4% whereas that for the States had risen by 86%; reported in The Age, 10 October 1973, p. 14.
44. Johnson in answer to a question without notice from Mr R. Thorburn, House of Representatives Hansard, 10 October 1973.
45. Ibid.
46. The Age, 10 October 1973, p. 14.
47. Announced by Johnson on 30 October 1973. Establishment reported in the Sydney Morning Herald, 17 April 1974.
48. Speech by Johnson to the Building Society Forum, Perth, 31 October 1973, p. 5.
49. Ibid, p. 6.
50. Ibid.
51. Letter from Johnson to the PM, 9 November 1973.
52. Johnson's Second Reading Speech to the AHC Bill, House of Representatives Hansard, 27 February 1975.
53. Johnson's Perth Speech, op. cit., p. 6.
54. Letter from Johnson to the PM, 9 November 1973.
55. Letter from Uren to the PM, 3 January 1974; Bryant's letter to the PM was drafted on 29 November and sent prior to 13 December 1973.
56. Uren's letter, ibid.
57. Letter of 16 January 1974.
58. Interview with Mr P. Troy, Canberra, 17 May 1977.
59. Ronald Mendelsohn, "Australian Housing Policy: Some General Considerations", in Priorities Review Staff, Report on Housing, Canberra, AGPS, 1975, Attachment 4, p. 220.
60. Letter from Uren to Whitlam, 3 January 1974, op. cit.
61. Under Section 29 of The Public Service Act.
62. Australian Government Directory 1974, Canberra, AGPS, 1974, p. 131.
63. See chapters two, three and five.

64. A record of the main points raised in the meeting was contained in a minute from Troy to Lansdown, 25 January 1974.
65. Ibid.
66. Letter from A.S. Reiher to Lansdown, 31 January 1974.
67. Troy's 25 January record of the 21 January meeting, op. cit.
68. Ibid.
69. Letter from A.S. Reiher to Lansdown, 31 January 1974, op. cit.
70. Decisions Nos. 1741(Ec) and 1769, both of 10 December 1973.
71. "Institute indicative planning and programmed budgeting for economic growth and social justice by the Australian Government in co-operation with the States, local authorities and organizations of employees and employers; this planning is to be consistent with the maintenance of full employment and the conservation of natural resources".
72. Answer to a question from Mr. R. Thorburn, House of Representatives Hansard, 10 October 1973.
73. Press Release, 16 December 1973.
74. Ibid.
75. DURD minute containing Keating's report of the meeting's proceedings to Lansdown, 7 February 1974.
76. DURD minute, Lansdown to Keating, 13 February 1974.
77. DURD minute, Killeen to Lansdown, 13 February 1974.
78. Aide-memoire by Dr M. Keating, 19 February 1974.
79. M.A. Jones, 'Interdepartmental Committees Case Studies', report to the RCAGA, June 1975, chapter 2.
80. Ibid, pp. 12-14.
81. On 29 October 1974.
82. M.A. Jones, op. cit., p. 19.
83. Report of the meetings proceedings in a minute from Keating to Lansdown, 28 February 1974.
84. Letter of 3 April 1974.
85. See chapters five and eight.
86. Letter of 21 February 1974.
87. This is borne out by other documents discussed in chapter eight.

88. See chapters two and three.
89. Letter of 11 April 1974.
90. Letters from Whitlam to Uren and Johnson, 30 April 1974.
91. Letters, Uren to Whitlam and Uren to Johnson, 10 May 1974; memo from Uren to Lansdown, 9 May 1974.
92. DURD minute, Lansdown to Keating, 17 April 1974.
93. Letter from Lansdown to Mr Henry Wardlaw, 30 April 1974.
94. Letter of 18 May 1974.
95. Australian Government Directory 1974 Names Supplement, Canberra, AGPS, 1974, pp. 78-9.
96. Letter of 6 June 1974.
97. DURD minute from Lansdown to Butler, 21 June 1974.
98. DURD minute from Lansdown to Wardlaw, 31 July 1974.
99. Ibid.
100. Lloyd and Troy, op. cit., p. 107.
101. Ibid, pp. 107-8.
102. Ibid, p. 108.
103. Interview with Dr R. Mendelsohn, Canberra, 10 April 1980.
104. See chapter eight for details.
105. Present were Dr Mendelsohn and Messrs Egan and Muir (DHC) and Dr Keating and Mr Edwards from DURD. A record of the proceedings is in a DURD minute from Edwards to Keating, 1 October 1974.
106. From Mr P. Troy's record of the meeting.
107. Ibid.
108. House of Representatives, Hansard, 27 February 1975, pp. 837-879, 893-6; 4 March 1975, pp. 989-1010.
109. Troy was informed of the decision by Menadue on 6 January 1975.
110. Annotation by Keating on a DURD minute from Edwards to Keating, 26 March 1975.
111. Letters of 4 and 12 February 1975.
112. "Item 7: Proposed Green Paper on 'Housing in Australia: Problems, Policies and Prospects'".

113. House of Representatives Hansard, 27 February 1975.
114. Ibid.
115. Ibid.
116. Letter prepared on 2 April and sent from the Minister's office soon after.
117. The remaining six month period of the DURD-DHC relationship is treated in chapter eight.

CHAPTER FIVE

1. Martin Painter and Bernard Carey, Politics Between Departments: The Fragmentation of Executive Control in Australian Government, UQP, 1979, p. 2.
2. Ibid, especially chapter 5.
3. Most of these committees are listed in the Appendix, *ibid*, pp. 119-124. The existence of the WPAIP and WPOL was not reported in the RCAGA survey and the Moreton Committee was established after the list was compiled.
4. ATAC is a short form of Australian Transport Advisory Council.
5. Painter and Carey, p. 20, Table 3. The survey from which this information comes disclosed the existence of 180 IDCs.
6. W.P. Butler, 'Notes on the 1974 Programme for Standing IDC on Urban and Regional Development', internal DURD draft, December 1973, p. 2; Minute, Lansdown to Butler, 15 January 1974.
7. Details in Painter and Carey, *op. cit.*, p. 51, Table 9, in which the listing "PMG-5" should be "PM & C - 5".
8. W. Butler, *op. cit.*, p. 2.
9. Lloyd and Troy, *op. cit.*, p. 39.
10. Prime Minister's letter to all Ministers, 16 March 1973.
11. Ibid.
12. Prime Minister's letter to all Ministers, 16 March 1973.
13. Ibid.
14. Ibid.
15. DURD, First Annual Report 1972-1973, AGPS, Canberra, 1974, p. 35.
16. Painter and Carey, *op. cit.*, p. 49.
17. Ibid, pp. 47-8.
18. Ibid, p. 48.
19. W. Butler, *op. cit.*, p. 1.
20. W. Butler, *op. cit.* There were four working parties created to undertake major tasks of SIDCURD. Three of them had policy tasks and were centres of dispute; on Regional Activities, on the Area Improvement Program, and on Office Location. The fourth, set up in July 1974, was on Compensation for Land Acquired or Adversely affected by Works or Use by Public Authorities. It was a standing committee with an essentially

technical task and experienced no major difficulties. Its members were DSP (chair), A/Gs, Treasury, DURD, DOT, DPMC and DEC.

21. W. Butler, op. cit., p. 1.
22. See later this chapter.
23. See later this chapter.
24. Painter and Carey, op. cit., chapter three.
25. See later this chapter.
26. See chapters two and three.
27. See chapter four.
28. See chapter six and later this chapter.
29. Painter and Carey, p. 58.
30. Letter dated 14 November 1973.
31. Despite the PM's use of 'urgency', few departments responded until urged to do so by DURD over a number of months; W.P. Butler, op. cit., p. 3.
32. With the following membership: DURD (chair), Treasury, DSS, PSB, APO (PMG), DOL, DOT. At their own request, DOH and the ABS were later added.
33. From DURD's IDC questionnaire return to the RCAGA.
34. Information from notes of Dr M. Painter on material on file no. 73/2577 (DURD) on the WPRA.
35. W.P. Butler, op. cit., p.3.
36. Information from the Report of the SPRA, October 1974, p. 3.
37. W.P. Butler, op. cit., p. 4.
38. Information from notes of Dr M. Painter on material on filed no. 73/2577 (DURD) on the WPRA.
39. Report of the SPRA, op. cit., p. 15.
40. Ibid, pp. 20-21.
41. Ibid, p. 18.
42. This date is given in the Report of the IDC on Overlap, p. 3.
43. W.P. Butler, op. cit., p. 4.
44. Ibid.

45. Ibid.
46. Painter and Carey, op. cit., p. 53.
47. Ibid, pp. 53-4.
48. DURD, Urban and Regional Development 1973-1974: Second Annual Report, Canberra, AGPS, 1974, p. 7.
49. Decision No. 2205, 11 June 1974.
50. A comprehensive listing is given in Attachment 2 of the Report of the IDC on Overlap in Australian Government Grants to Local Bodies, March 1975.
51. DEC, DOSMOS and DPMC were granted observer status by DURD, the chairing department. The SWC and Hospitals and Health Services Commission were given observer status sometime after the IDC's first meeting after being initially refused.
52. Details of their objections are from one of the IDC case studies done in 1975 for the RCAGA; H.R. Dent, IDC on Overlap in Australian Government Grants to Local Bodies, p. 22. The study is a rich source of factual material about the IDC and its political background based on analysis of relevant files of member departments and interviews with many of the officers who sat on the IDC.
53. Letter from the PM to Uren, 11 July 1974.
54. Details in H.R. Dent, op. cit., pp. 22-3.
55. Ibid.
56. Letter from the PM to Uren, 1 August 1974.
57. Ibid.
58. H.R. Dent, op. cit., p. 25. The issue received fuller debate in later meetings of the IDC.
59. Ibid.
60. Details in H.R. Dent, op. cit., p. 27.
61. Ibid, p. 28.
62. Ibid, pp. 29-31.
63. Cabinet Decisions Nos. 2499 of 21 August and 2591 of 23 August deferred Recommendation (c) of CS 1049 and Recommendation 1 of CD 1154 respectively.
64. H.R. Dent, op. cit., pp. 31-3.
65. See chapter six.

66. See the WPRA section in this chapter.
67. Quoted in H.R. Dent, *op. cit.*, p. 32, fn 19.
68. Attachment 2 of H.R. Dent, *op. cit.*, pp. 49-50.
69. From a Treasury file document quoted in H.R. Dent, *op. cit.*, p. 33.
70. H.R. Dent, *op. cit.*, p. 34.
71. From a Treasury file document quoted in H.R. Dent, p. 34.
72. *Ibid.*
73. H.R. Dent, *op. cit.*, pp. 35-6.
74. Quoted in H.R. Dent, *ibid.*, p. 38.
75. H.R. Dent, *op. cit.*, p. 38.
76. *Ibid.*
77. Interviews with P. Troy, Canberra, 17 May 1977 and L. Killeen, Canberra, 11 April 1980.
78. Quoted by H.R. Dent, *op. cit.*, p. 40.
79. In two sessions on 17 and 20 March.
80. Report of the Interdepartmental Committee on Overlap in Australian Government Grants to Local Bodies, Canberra, March 1975, p. 13.
81. *Ibid.*, p. 12.
82. Members of the Officials' Committee were Mr J. Enfield, DPMC (chairman), Mrs M. Coleman and Ms M. Scott (SWC), Mr B. Luby (DSS), Mr W. Butler and Dr M. Keating (DURD), and Messers Prowse, Emery and MacDonald (Treasury).
83. Quoted from the draft report of the ASR Officials' Committee on the Overlap IDC report by H.R. Dent, *op. cit.*, p. 42.
84. 'Statement on Regional Policy', draft attached to ASR Paper No. 9, 27 May 1975, p. 2.
85. The PM initiated in July 1974 moves to establish the IDC on Community Centres "to report on the policy and arrangements the Australian Government might adopt in respect of multi-purpose community centres" (Report of the Overlap IDC, *op. cit.*, p. 3). Close contact was maintained between the Community Centres IDC and the Overlap IDC established a month earlier since some of the same administrative issues were treated by both. The reports of both went to the ASR Officials' Committee for initial evaluation.

86. Nine papers had been produced by 3 June 1975.
87. The Australian Property Investor, March 1974, pp. 12-13.
88. Australian Financial Review, 11 May 1973.
89. Ibid.
90. The Australian, 9 May 1973. The chosen site (The Meggitt site) had frontages on Macquarie, O'Connell and George Sts. and cost \$5.073 million. This information is from the Parliamentary Standing Committee on Public Works, Report on the Proposed Construction of an Australian Government Centre at Parramatta, Fourth Report of 1975, AGPS, Canberra, 1976, p. 3, para 25.
91. Details in a memo, Lansdown to Uren, 22 May 1973.
92. Details in a letter, Lansdown to Timbs, 22 May 1973.
93. House of Representatives Hansard, 12 September 1973, p. 834.
94. See for example reports in The Australian, 13 September 1973, Australian Financial Review, 14 September 1973, and the Sydney Morning Herald, 14 September 1973.
95. House of Representatives Hansard, 21 March 1974, p. 697.
96. Ibid.
97. Painter and Carey, op. cit., p. 49.
98. Information from notes of Dr M. Painter on material on file no. 73/2577 (DURD) on the WPRA.
99. Memo, Lansdown to Uren, 25 February 1974.
100. Details in a memo, Lansdown to Uren, 5 April 1974.
101. Report of 31 July 1974.
102. House of Representatives, Hansard, 13 November 1974, p. 3427.
103. House of Representatives, Hansard, 5 December 1974, p. 4608.
104. Ibid.
105. Interviews with Mr T. Uren, Sydney, and Mr P. Troy, Canberra, 17 May 1977.
106. The Fourth Report of 1975, op. cit., House of Representatives, Hansard, 5 June 1975, pp. 3473-9. Somewhat ironically, the Prime Minister's announcement of the transfer of property to DURD was made on the same day.
107. Painter and Carey, op. cit., pp. 57-9.

108. This IDC was superseded by a new IDC structure set up by the PM in December 1973.
109. Internal DURD minute, 7 February 1974.
110. Ibid.
111. DURD, 1973-1974 Annual Report, p. 7.
112. Painter and Carey, op. cit., p. 59.
113. Ibid, p. 58.
114. See S. Hamilton, "The IDC on Location of Australian Government Employment", RCAGA Appendix volume Four, AGPS, Canberra 1976, pp. 323-33.
115. S. Hamilton, op. cit., p. 324.
116. Ibid.
117. Ibid.
118. Ibid, pp. 328-9.
119. Ibid.
120. Ibid, p. 326.
121. Ibid, p. 329.
122. Ibid, p. 326.
123. Ibid, p. 325.
124. Patrick N. Troy, A Fair Price: The Land Commission Program 1972-1977, Hale & Iremonger, Sydney, 1978, p. 156. Another estimate in June 1975 put the total number of properties freehold and Leasehold, of the Australian Government at 'about 13,000, with an area of over 1 million hectares and a current market value of about \$3,000 million'; M.A. Jones, 'Interdepartmental Committees Case Studies', report to the RCAGA, June 1975, p. 20.
125. E.G. Whitlam, ALP Blacktown policy speech, November 1972.
126. Ibid.
127. P.N. Troy, op. cit., pp. 154-5 and Appendix B, pp. 213-9.
128. Ibid, p. 155.
129. Ibid, p. 156.
130. Ibid.
131. M.A. Jones, op. cit., p. 22 and P. Troy interview, 17 May 1977.

132. P.N. Troy, op. cit., p. 157.
133. Ibid, p. 158.
134. Ibid.
135. Ibid.
136. P.N. Troy suggests that Treasury was responsible for DSP's approach, referring to DSP as a "Treasury stalking horse", Interview, Canberra, 17 May 1977.
137. M.A. Jones, op. cit., pp. 28-9.
138. P.N. Troy, op. cit., p. 159.
139. The Commission was appointed by Letters Patent on 4 May 1973 with Mr Justice R. Else-Mitchell, Prof. R.L. Mathews and Mr G.J. Dusseldorp as members. Its first report was issued on 27 November 1973.
140. P.N. Troy, op. cit., pp. 33-6.
141. Communique of the ministerial meeting, Melbourne, 22 October 1973. A copy is in P.N. Troy, op. cit., Appendix 11, pp. 231-7, especially pp. 234-5.
142. Quoted in P.N. Troy, op. cit., Appendix 13.
143. The committee was also known as the Coughlan Committee (after its chairman). The NCDC declined an offer of membership; information from M.A. Jones, op. cit., p. 26.
144. Letter, Lansdown to the Chairman of the Cities Commission, 29 March 1974, quoted by M.A. Jones, op. cit., p. 26.
145. Letter, 29 May 1974, quoted in M.A. Jones, op. cit., p. 26.
146. M.A. Jones, op. cit., p. 27.
147. Ibid, p. 28.
148. Cabinet Submission No. 1210, July 1974.
149. Its last three meetings were on 26 June, 17 July and 5 August. Information from M.A. Jones, op. cit., pp. 33-4.
150. M.A. Jones, op. cit., p. 34.
151. P.N. Troy says that Cabinet considered the submission in mid-October and late December (A Fair Price, op. cit., p. 161) whereas M.A. Jones, in claiming the relevant Cabinet meetings were in October and November quotes Cabinet Decision No. 2998 of 28 November as having decided the matter (op. cit., p. 34).
152. P.N. Troy, op. cit., p. 161.

153. Ibid.
154. M.A. Jones, *op. cit.*, p. 29.
155. Ibid, p. 36. .

CHAPTER SIX

1. This chapter has been published in a slightly different form: 'Labor's Unknown Experiment: The Moreton Regional Coordination Exercise, AJPA, XLII(3) Sept. 1983, pp. 32-43.
2. Information from DURD's IDC questionnaire return to the Royal Commission on Australian Government Administration, 1975.
3. Martin Painter and Bernard Carey, Politics Between Departments, St. Lucia, UQP, 1979, p. 53.
4. On the Whitlam Government's Cabinet committees see R.F.I. Smith, "Australian Cabinet Structure and Procedures: The Labor Government 1972-75", Politics 12(1), 1977.
5. Details in a minute from a senior DURD official to the Minister for Urban and Regional Development, 15 January 1975.
6. Section 40(3) of the Act.
7. Section 47 of the Act.
8. Information from a minute from a senior DURD official to the Minister for Urban and Regional Development, 12 February 1975.
9. DURD, Regions: Suggested Delimitation of Regions for the Purposes of Section 17, Grants Commission Act, 1973, Canberra, AGPS, 1973.
10. The Moreton Region, covering 1.23% of Queensland's land area, had, at the 1971 Census, 56.72% of its population; within the Region, the Brisbane City Council area contained about two-thirds of the population while the remaining one-third was distributed among the other sixteen local authorities. Some of these figures are from Kenneth Wiltshire, "Regional Coordination in Queensland", Australian Journal of Public Administration, XXXV(2), June 1976, table on p. 132.
11. Ibid, p. 141.
12. The Moreton Region Growth Strategy Investigations.
13. Details from a minute to the Minister for Urban and Regional Development, 15 January, 1975, op. cit.
14. Draft of Cabinet decision, prepared for the Brisbane Committee meeting of 16 January 1975.
15. Cabinet Decision, 16 January 1975.
16. This section draws upon a minute from a senior DURD official to the Minister for Urban and Regional Development, 12 February 1975, op. cit., parts of which are quoted.

17. Report of the Moreton Regional Team to the Working Group on Co-ordination of Australian Government Activities in the Brisbane Area, Canberra, undated (but probably May 1975), p. 1.
18. Cabinet Decision, 17 February 1975.
19. Report of the Moreton Regional Team, op. cit., p. 1.
20. Ibid.
21. This section is based on text and tables in Appendix A, Appendix D and the Attachment to Appendix D of the Report of the Moreton Regional Team, op. cit., from which some quotations are taken.
22. This section is based on the Report of the Moreton Regional Team, Appendix B.
23. The IDC on Multi-Purpose Community Centres chaired by DPMC and the IDC on Overlap in Government Grants chaired by DURD respectively. The Schedule forming Attachment 1 of the Overlap IDC Report, listing programs and eligible activities with potential for overlap, formed Appendix C of the Moreton Team's report.
24. Queensland Co-ordinator General's Department, Regional Planning and Co-ordination, 1973, p. 27, quoted in the Team Report, op. cit., pp. 4-5.
25. This section is based on the Report of the Moreton Regional Team, op. cit.
26. These guidelines were decided by Cabinet on 21 April 1975, not long after the Moreton Team began its proceedings.
27. The RCAGA produced a discussion paper, Regionalising Government Administration, Canberra, AGPS, 1975, in mid-year. The Task Force produced its report later in the year; RCAGA, A Regional Basis for Australian Government Administration: Task Force Report, Vols. 1 and 2, Canberra, AGPS, 1975.
28. This section is based on the Report of the Moreton Regional Team, op. cit.
29. This figure was calculated from the Report of the Moreton Regional Team, op. cit., Appendix D, various tables. This compilation seems not, however, to be exhaustive since many more authorities are listed as having activities in the region in the Report of the Working Party on Regional Activities to SIDCURD, section headed "The Australian Government and Possible Preferred Locations for Regional Administrative Centres", pp. 15-16, (undated, but about mid-1974).
30. Report of the Moreton Regional Team, op. cit., p. 10.
31. There was a further report prepared by the Team on the work of

its three committees. I have been unable to secure a copy, but apparently it reported that little progress had been made.

32. The first part of this section is based on interviews with Mr Andrew Macintosh, a former DURD official, who was instrumental in the Moreton exercise. Quotations are from a long recorded interview the author had with him in Sydney on 9 June 1980 and a shorter interview with him in Sydney on 15 August 1980. Information from other interviews with several public servants, as well as the content and tenor of the Team's report, supports the general thrust of his remarks. These interviews were with Dr R. Mendelsohn, Canberra, 10 April 1980, Mr L. Killeen, Canberra, 11 April 1980, Mr D. Wallace, Canberra, 2 May 1980, Mr D. Gascoine, Canberra, 9 May 1980 and Mr W. Cushing, Canberra, 29 May 1980.
33. Interview with Mr A. Macintosh, Sydney, 9 June 1980.

CHAPTER SEVEN

1. See chapter two for DURD's intentions.
2. In its 1975 Submission to the Royal Commission on Australian Government Administration, Treasury repeatedly made the point that it would be folly to split the economic advice and financial control roles organisationally.
3. B. Juddery, At the Centre: The Australian Bureaucracy in the 1970s, Cheshire, 1974, p. 84.
4. In Treasury until 1969 a division was what the rest of the Public Service called a Branch and vice versa.
5. A normal posting in the career of a very senior Treasury official.
6. B. Juddery, op. cit., p. 84.
7. B. Juddery, Canberra Times, 29 October 1971.
8. Interview with Dr Ron Mendelsohn, former FAS in DHC, Canberra, 10 April 1980.
9. P.P. McGuineess, "Treasury trots out its Dogmas", National Times, week ending 8 December 1979, p. 60.
10. Ibid.
11. Interview with Mr P. Troy, Canberra, 17 May 1977.
12. Interview with Mr A. Macintosh, Sydney, 9 June 1980.
13. Joint interview with Mr W. Harris and Mr. W. Butler, Canberra, 11 May 1977.
14. Interview with Mr L. Killeen, Canberra, 11 April 1980 and Dr M. Keating, Canberra, 28 August 1980.
15. Interview with Mr. W. Cushing, Canberra, 29 May 1980.
16. An account of this process as it applied to DURD's establishment of a Land Commission program in South Australia is in Patrick N. Troy, A Fair Price: The Land Commission Program 1972-1977, Sydney, Hale and Iremonger, 1978, pp. 51-76.
17. See the Report of the RCAGA, Canberra, AGPS, 1976, p. 369.
18. P. Troy, op. cit. and Patrick Weller and James Cutt, Treasury Control in Australia: A Study in Bureaucratic Politics, Sydney, Ian Novak, 1976.
19. An exception began to develop in the Whitlam period. DPMC developed its economic capacity from late 1974 and became a

competitor with Treasury for the ear of Cabinet on economic matters.

20. Weller and Cutt, *op. cit.*, p. 112.
21. *Ibid.*
22. *Ibid.*
23. See chapter two.
24. *Ibid.*
25. It contained three Branches, initially titled Urban and Regional Budget, Priorities and Review, and Evaluation. The latter two were amalgamated to form Priorities and Evaluation with a new Public Finance Branch eventually added.
26. Initially containing only a Resource Planning Branch, but eventually supplemented by transfer of the Building Industry and Housing Branch from the Urban and Regional Development Division and the addition of the Regional Economic Development Branch.
27. This Division maintained the same three Branches throughout the life of DURD; National Urban Distribution, Transportation, and City Forms and Structure.
28. A sketch of the activities of the three Divisions is in C.J. Lloyd and P.N. Troy, Innovation and Reaction, Allen and Unwin, 1981, chapter 10.
29. This was insisted upon by a former DURD second division official who later moved to the Department of Finance: Interview with Mr W. Cushing, Canberra, 29 May 1980.
30. Geoffrey Hawker, R.F.I. Smith and Patrick Weller, Politics and Policy in Australia, University of Queensland Press, St. Lucia, 1979, chapter 9.
31. Interview with Mr D Gascoine, Canberra, 9 May 1980.
32. This is the main title in the Budget's National Accounts, the bottom line of which is the Gross National Product (GNP).
33. Interview with Dr M. Keating, Canberra, 28 August 1980.
34. This work was carried on in Dr Keating's Urban Economic and Resource Planning Division: DURD report of 13 September 1974 on file 74/2742 "Economic Modelling: Medium Term Forecasts".
35. DURD file 74/2742, documents dated 26 and 29 November 1974 give the history of the exercise.
36. Several interviewees put this view: Dr M. Keating, Canberra, 28 August 1980, Mr W. Cushing, Canberra, 29 May 1980, Mr D. Gascoine, Canberra, 9 May 1980

37. Interview with Mr D. Gascoine, Canberra, 9 May 1980.
38. Ibid.
39. Urban and Regional Development 1974-75, Budget Paper No. 8, Canberra, AGPS, 1974.
40. Interview with Mr W. Cushing, Canberra, 29 May 1980.
41. Urban and Regional Development 1975-76, Budget Paper No. 9, Canberra, AGPS, 1975.
42. In the Resource Allocation Division the FAS slot was vacant; One of the two AS positions had not been filled in the Urban Economic and Resource Planning Division; and two of the three AS positions were unoccupied in the National Urban Development Strategy Division Information from the Australian Government Directory 1975, Canberra, AGPS, 1975.
43. The Cabinet Expenditure Review Committee (CERC).
44. DURD had done preliminary work on an MTM.
45. Draft Cabinet Submission, para 13.
46. On 25 March 1975. The letter was accompanied by copies of the draft Cabinet Submission and Lansdown's covering letter of the same date to the Treasurer.
47. 22 April 1975.
48. Wheeler promised to send Lansdown copies of the Treasury's report to Cabinet on the FE and the Treasurer's covering Submission (No. 1697 of 7 May 1975), as well as pledging continuing cooperation in allowing DURD officials access to Treasury data on expenditure, used in formulating the urban and regional development Budget paper.
49. Lloyd and Troy, op. cit., p. 205.
50. Present from Treasury were: Sir Frederick Wheeler, J.O. Stone, R.W. Cole, N.F. Hyden, B.W. Fraser, Dr C. Higgins and R. Wood; from DURD were: R.B. Lansdown, Dr M. Keating, W.J.C. Cushing, M. Jenkins and Dr G. Jackson. A record of the meeting, made by Mr Jenkins, is the basis of this section.
51. DURD briefing note and attached draft agenda for the meeting, 22 May 1975.
52. Ibid.
53. Ibid.
54. Ibid.
55. Treasury officials already knew of the embryonic MTA efforts of other departments and authorities, and had begun

discussions with DOT over its proposals in the transport policy sector; *ibid.*

56. A "middy" contains 10 fluid ounces, while a standard bottle of beer holds 26 fluid ounces.
57. Both dated 4 August 1975.
58. FE letter of 4 August 1975.
59. With a covering letter to Uren on 29 September 1975. This draft eventually became Cabinet Submission No. 2018.
60. Para. 7 of draft.
61. Para. 13 of draft.
62. Briefing Note on "Cabinet Submission No. 2018: The Australian Government's Forward Expenditure Plans", from Keating to Uren, 1 October 1975.
63. *Ibid.*
64. Letter, Lansdown to Wheeler, 4 August 1975.
65. *Ibid.*
66. Letter with attachment of 11 August 1975.
67. Letter, with both letters of 4 August as attachments, of 1 October 1975.
68. DURD had a copy of a paper written by the model's team giving details of the model, part 5 of which was headed "where DURD could help". It was dated 5 November 1975 indicating an offer by DURD earlier than that date. The offer of help was welcomed on p. 8 of the paper.
69. Information in a DURD minute, Fisher to Keating, 13 October 1975.
70. Letter, Lansdown to Coombs, 17 December 1975.
71. Letter, Coombs to Keating, 28 November 1975. The Task Force's Report, The Process of Economic Policy Making in Australia, was made public on 3 December 1975.
72. Letters from Lansdown to each of the three permanent heads of 11, 21 and 27 November 1975.
73. Letter, Lansdown to Wheeler of 25 November 1975.
74. Letter of 28 November 1975.
75. Minute from Lansdown to Keating of 2 December 1975, containing Lansdown's record of the meeting.
76. Letter from Lansdown to Garrett of 1 December 1975.

CHAPTER EIGHT

1. Australian Government Gazette, No. 5104, 6 June 1975.
2. Sir Edmund Barton, Other Political Papers 1892-1911: First Administration Commonwealth of Australia Designation of Portfolio and Allotment of Administrative Duties, 1901; National Library of Australia, CRSAL781, MS 51, Series 7, Item 1028. This order was not gazetted.
3. Commonwealth of Australia Gazette, No. 188, 21 December 1916. The surveys function referred to topographical surveys.
4. Commonwealth of Australia Gazette, No. 94, 5 November 1925 and No. 35, 14 April 1932.
5. Commonwealth of Australia Gazette, No. 131, 20 December 1972.
6. Commonwealth of Australia Gazette, No. 17, 6 March 1972. It also lists the Lands Acquisition Act 1955-1966 and the Lands Acquisition (Defence) Act 1968 among "Enactments administered by Minister" (Third column).
7. The first figure is from a report in Objective, 1 April 1974, p. 16. The second is from Mr F Daly's speech when opening the Australian Government Centre in Hobart on 22 February 1974.
8. From Mr Daly's speech, *ibid.*
9. Interview, Sydney, 12 December 1978.
10. Letter of 21 February 1974.
11. See later in this chapter.
12. Internal DURD Minute, 8 October 1974.
13. Internal DURD minute, 29 October 1974.
14. For an account of this incident see Brian Toohey, 'Minister calls out a Department Chief', Australian Financial Review, 30 July 1974.
15. Extract from the letter in question quoted by Toohey, *ibid.* The following two quotes are from the same source.
16. P.N. Troy, A Fair Price, *op. cit.*, p. 162.
17. *Ibid.*
18. *Ibid.*
19. C.J. Lloyd and P.N. Troy, Innovation and Reaction, Allen and Unwin, 1981, pp. 208-11.

20. Memo, Lansdown to Uren, 4 March 1975.
21. Another 270,000 Australian Government civilian employees were the responsibility of the PSB.
22. DURD Submission to RCAGA, November 1974, pp. 2, 6.
23. Evidence to the RCAGA, transcript p. 945.
24. Australian Government Gazette, No. S104 Friday, 6 June 1975, Canberra, AGPS.
25. Information from a confidential PSB source. This is not without precedent: See R. Van Muster, "Changes in Administrative Arrangements and Their Implementation", RCAGA, Appendix Volume One, pp. 413-4.
26. Australian Government Gazette, No. S104, 6 June 1975, Canberra, AGPS.
27. This was the attitude he reputedly often expressed. He did so to the author in a conversation in late 1976.
28. Of 8 February 1975, notified in Australian Government Gazette, No. S21, 10 February 1975, Canberra, AGPS, p. 12.
29. Australian Government Gazette, S104, 6 June 1975, p. 6.
30. Ibid, p. 4.
31. For details of this transfer see Public Service Board Annual Report 1975, Canberra, AGPS, 1975, p. 27.
32. The text of this letter was reprinted in the Canberra Times, 11 September 1975.
33. Mr Killeen prepared a minute for Mr. Lansdown on 8 August detailing quite extensive contacts between DURD and Treasury in this matter.
34. Lloyd and Troy, op. cit., p. 109.
35. Ibid.
36. Ibid.
37. Interview with P. Troy, Canberra, 17 May 1977.
38. See earlier this chapter.

39-83
missing

CHAPTER NINE

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4. For an appreciation of the conflict between functional and coordination roles see Martin Painter, 'Central Agencies and the Coordination Principle', AJPA, XL(4), December 1981, pp. 265-80. This point is discussed in the specific case of DPMC by G.J. Yeend, 'The Department of the Prime Minister and Cabinet in Perspective', AJPA, XXXVII(2), June 1979, p. 142.
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10. Martin Painter and Bernard Carey, Politics Between Departments, UQP, 1979, pp. 98-101; Colin A. Hughes 'Machinery of Government', in Henry Mayer and Helen Nelson (eds), Australian Politics: A Fifth Reader, Longman Cheshire, 1980, pp. 196-9.
11. Smith, *op. cit.*, p. 28.
12. P.N. Troy, 'Cities in a Federation: The Whitlam Government and Urban Reform' (mimeo), quoted by Peter Wilenski, 'Reform and its Implementation: The Whitlam Years in Retrospect' in Gareth Evans and John Reeves (eds), Labor Essays 1980, Drummond, 1980, p. 49.
13. Paul Kelly, 'PM sets up new team of policy advisers', Australian, 3 December 1974.
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16. Australian, 20 October 1976, p. 9.
17. Painter and Carey, op. cit., p. 9.
18. Ibid, pp. 108-112.
19. Interview with Mr Andrew Macintosh, a former official of DPMC, Sydney, 9 June 1980.
20. Martin Painter, 'Central Agencies and the Coordination Principle', AJPA, XL(4), December 1981, pp. 265-80 at p. 287.
21. This point was made to the author by Dr Peter Wilenski in an interview, Sydney, 1 March 1977.
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23. Interview with Dr. Peter Wilenski, Sydney, 1 March 1977.
24. G.J. Yeend, op. cit.
25. Martin Painter, 'Urban Government, Urban Politics and the Fabrication of Urban Issues: The Impossibility of Urban Policy', AJPA, XXXVIII(4), December 1979, pp. 335-46.

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 - (a) Mr Tom Uren, former Minister for Urban and Regional Development. These papers are from the unsorted collection once held by Mr Uren in his Sydney electoral office. They have since been deposited in the National Library, Canberra.
 - (b) The Department of Environment, Housing and Community Development (EHCD). For details refer to the Appendix, 'Note on Method' unless otherwise stated a copy of any letter, memorandum, aide-memoire etc. referred to exists in this collection to which the author's supervisor, Dr Martin Painter, has had access.
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- (d) The late Dr G. Jackson, official in DURD's Budget Bureau Division. These papers relate to many of the matters in chapter seven.
- (e) Dr Peter Wilenski, formerly Principal Private Secretary to Prime Minister E.G. Whitlam. These papers mainly related to the production of the 19 December 1972 Administrative Arrangements Order.
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Mr W. Cushing (DURD)	Canberra	29 May 1980
Mr C. Foster (EHCD)	Canberra	11 January 1978
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Mr W. Harris (DURD)	Canberra	13 January and 11 May 1977
Dr C. Higgins (Treasury)	Paris	7 September 1981
Dr G. Jackson (DURD)	Canberra	1 and 9 May 1980
Dr M. Keating (DURD)	Canberra	28 August 1980
Mr L. Killeen (DURD)	Canberra	11 April 1980
Mr R. Lansdown (DURD)	Canberra	11 May 1977
Mr A. Macintosh (DURD and DPMC)	Sydney	9 June and 15 August 1980
Dr R. Mendelsohn (DHC)	Canberra	10 April 1980
Mr L. Rees (PSB)	Canberra	28 May 1980
Mr A. Renouf (DFA)	Sydney	14 April 1980
Mr P. Troy (DURD)	Canberra	17 May 1977 and 12 and 29 May 1980
Mr T. Uren (Minister for URD)	Sydney	8 November 1978
Mr D. Wallace (DURD)	Canberra	1 and 2 May 1980
Dr P. Weller (ANU and PSB)	Canberra	1 May 1980
Mr E. Wigley (DSP)	Canberra	8 May 1980
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A P P E N D I X

Note on Method

The decision was made when research began on this thesis that it would concentrate on a single department, the Australian Department of Urban and Regional Development (DURD), and the relationships that DURD had with other departments. There was a coincidence of a number of disparate elements in that approach. First, DURD had tried to do a number of things which students of public administration found interesting. Not least of these was its attempts to 'coordinate' the activities and spending of government in a vaguely defined sector of government business called urban and regional development. That also raised questions about policy, but the details of program successes and failures were less appealing as a subject of study than what appeared as the total failure of the original conception of DURD as a small, elite group of specialists pulling the coordinating strings on other departments. In any case, the policy and program studies were already beginning to appear. From public statements, political will seemed strongly in favour of DURD's success, yet it did not succeed.

Secondly, DURD was interesting as a special case. It was the first department created de novo since 1901. One had the image of a new-born baby looking for sustenance in a hostile environment as DURD sought resources of skilled staff and program funds while trying to develop the networks of friends so vital to success in Canberra. As it grew, DURD was elbowing its way into a crowd of other departments all seeking resources and policy autonomy. In that sense, the study of DURD appealed as something of a limiting case. It began with

nothing and had to endure the full process of becoming a government department able to command respect at the official level and win disputes.

The third point was that much material of a documentary kind dealing with DURD was extant. So many DURD public servants seemed to have taken documents home on the dismissal of the Whitlam Government. One confided to the author that he had most of the relevant documents relating to a program on which he had worked so that when a Labor Government would next be elected, he would be ready to take up from where he had left off.

When the author's known interest in DURD led to an offer from senior officials in the Department of Environment, Housing and Community Development (DURD's successor) to become 'official Departmental historian' with access to all of the Department's files, the fourth element, opportunity, was present. Those officials agreed that the research could be used as the basis of a PhD thesis.

The early research strategy was to carry out a series of short interviews, conversations really, with as many of the participants from the DURD period as possible. More than sixty of these 'chats' took place over three weeks to establish a number of things: the major incidents in DURD's history; who by reputation the major actors were; what the most troublesome relationships were and why they were described as such; and whether any of the relationships were, within reason, trouble-free.

The formal position of official historian was useful to the

author in that people were forthcoming and a picture of DURD and its relationships quickly emerged.

The second phase was to tackle the thousands of files access to which was through index cards the titles of which more often than not gave little indication of the file contents. Although in a single central registry, the cards and the files retained their identification from pre-EHCD times. Each of the four departments amalgamated to create EHCD was represented by its own file index and separate file shelving. The advantage for the author in this was that both sides of most incidents could be examined from the written record. The process of integrating the files had begun but the files and cards generally were in a state of disarray with many having their old identifying numbers deleted but no new file number allocated. The process of integration still had some way to go when EHCD was abolished in 1978. The difficulty, therefore, was recording the file numbers of any documents thought useful to the research. Early on, the policy adopted was to take a photocopy of the document and include it in the author's collection of papers (see the note at the beginning of the Select Bibliography). Over a period of two years, twelve thousand folios were copied in this way.

A series of interviews were undertaken by the author with leading figures from the DURD period. Most of these were tape recorded with a typed transcript eventually produced for each. The interviews were at least one hour in length and some covered several hours in more than one session. The questioning was aimed at clarifying any points on which the files were not clear. This process also produced some previously lost files, although some key

files were never discovered by the author. The interviews were also used by the author to test interpretations of events.

As far as possible, the facts presented in the thesis have been checked from the files and from the personal recollections of many of those involved. In the main, the only material not included has been that thought not relevant to the final form of the thesis or thought possibly defamatory. Confidences have been respected and no undue weight has been given to testimony which the author was not permitted to record. In those cases, corroboration of material from other sources was all that was sought.

The Australian Parliament's Hansard volumes for both Houses for the lifetime of the Whitlam Government were searched via the indexes for all references to speeches and answers to questions, with and without notice, involving the ministers of the major portfolios discussed in the thesis. Another major primary source is material presented in evidence to the Royal Commission on Australian Government Administration (Coombs) 1974-76 to which the author had unusually good access as a research project leader for most of the Commission's existence. The author's collection of papers contains a large amount of material related to the work of the Coombs Commission.

Finally, a great deal of print media research was done mainly on the Sydney Morning Herald, Australian, Australian Financial Review, National Times and the Bulletin. Photocopies of relevant articles form part of the author's papers.

In general, an historical method was used to research this thesis with the aim of answering a central question while making some contribution to the study of public administration.

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ADMINISTRATIVE JURISDICTION & COORDINATION:.....

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