

Money for roads not a 'slush' fund
Harvey Grennan
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The Australian Local Government Association has strongly defended the Roads to Recovery program against claims it was used as a political slush fund in the last federal election.

It points to bipartisan support for the program in federal Parliament and insists the funding formula is transparent and equitable and favours regional areas only because they have the biggest road maintenance backlog.

"The magnitude of the problem is immense. Local government is responsible for about 680,000 kilometres of road or nearly 85 per cent of the entire Australian road network, and 29,000 timber bridges, a third of which are more than 50 years old. It's a \$75 billion asset, much of it in need of repair or upgrading," the president of the association, Councillor Paul Bell said.

"Roads to Recovery is producing very real and tangible results. It is repairing roads and improving traffic flows. It is replacing dangerous bridges and upgrading intersections. It is boosting economic development, creating employment and improving the lives of countless Australians through 13,000 projects from our city centres to remote communities," he said.

The Deputy Prime Minister, John Anderson, has also defended the program, saying it has a high cost-benefit ratio of 1.8 to 1.

The Australian Financial Review had said the program is channelling funds overwhelmingly to the coalition's heartland electorates in regional Australia. In four years, Anderson's electorate of Gwydir in northern NSW had received \$41 million under the scheme. In the Queensland electorate of Maranoa, held by The Nationals, local councils received \$59.6 million and two Liberal electorates covering most of regional Western Australia, O'Connor and Kalgoorlie, received \$56.4 million and \$48.9 million respectively.

Of the top 20 electorates to benefit from the program, 16 were held by the Coalition, two by rural independent MPs and two by the Labor Party.

Writing in The Australian Financial Review, the Australian National University economist and former ALP adviser Andrew Leigh compared the swing at the last election in the electorates that benefited most and least from the program. "In the 20 electorates that received the largest allocations (averaging \$28 million apiece), the typical swing towards the Coalition was 2.8 per cent. In the 20 electorates that got least from Roads to Recovery (averaging just \$2 million), the typical swing was just 0.6 per cent. For each additional \$28,000 in funding, the Coalition won an extra vote," he said.

In a remarkable attack on the Financial Review, Anderson said the newspaper "just for once might like to look beyond the burning question of how long it takes in the Porsche Cayenne to get from palatial home to trendy restaurant in Toorak or Woollahra. There's a debate out there about how to get our food, fibre and resources to the rest of the world, and it certainly doesn't involve quarantining funding to the cities," he said.

"These projects are developed from the ground up by local councils and shires. Sometimes they don't need a complex formula for funding; a pothole is a pothole is a pothole. If enough people say a dirt road needs sealing, councils shouldn't need to continually justify the expense in fixing it. Certainly, the only complaint we receive is there should be more money.

"We know these are the most economically productive projects on offer because that's what those councils tell us. They are actually at the coalface."

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