

## Article in Australian on Road budgets by Siobbain Ryan

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4  THE NATION

# Election pledges

Siobbain Ryan

THE cost of national road projects under the nation's taxpayer-funded infrastructure program has blown out by up to 250 per cent, with the audit office putting some of the blame on hasty election promises.

As Canberra ploughs another \$4.5 billion into the AusLink scheme, Auditor-General Ian McPhee has found most of the 21 projects reviewed in his audit since 2004 have run over budget by between 6 per cent and 249 per

cent. Of the subset of projects identified in federal-state agreements, all had changed in cost or scope from their original estimates and work programs.

The Australian National Audit Office said the series of infrastructure pledges made by politicians in caretaker mode compounded problems of inadequate planning, flawed cost estimates, cost-shifting and shortcuts in tendering processes.

Taxpayers ended up spending more than twice as much for the

Howard government's new AusLink commitments from the 2004 poll, for example, than the Coalition planned. They footed a \$288 million increase to the original \$274 million estimated bill, the ANAO report said.

Federal funding for the Townsville Ring Road, for example, escalated well beyond initial estimates, from a \$40 million election promise to almost \$140 million.

Similarly, a planned expansion of the Bruce Highway near Gympie to four lanes ended up costing

# blow roads budget

double the original pledge of \$35 million. And the blowout in the cost of the F3 Freeway to Braxton in NSW was so large — ballooning from \$382 million to \$1.2 billion — that the commonwealth abandoned its plans to fund the project.

National network projects were often approved without proper consultation with the states and territories that were to undertake the work, or without allowance for planning, environment and heritage approvals. Once com-

pleted, they escaped evaluation, despite the requirement for the 43 projects now open to traffic to undergo such a review.

The audit focused on projects initiated under the Howard government, but warned that the proliferation of promises at the last election added to the risk of cost overruns. In the 2007 poll, the Coalition and Labor each promised more than was available in the bucket of money for AusLink 2, and neither had their pledges costed by the Department

of Finance, the report notes.

“Similar to the 2004 election commitment projects, typical features of many of the 2007 election commitment projects were that the project was at a concept or preliminary planning stage and reliable out-turn estimates of the project cost had not yet been prepared (as planning and scoping activities had not yet been sufficiently progressed). It is generally recognised that, in these circumstances, the risk of time and cost blowouts is increased.”

The Rudd Government has pinned its re-election hopes to its nation-building credentials.

It gave the AusLink program a \$4.5 billion boost in December, when it announced it would bring forward construction of 14 national road projects as part of a wider stimulus package.

A spokesman for Infrastructure Minister Anthony Albanese said the risk of cost overruns was being managed through the Government's bilateral agreements with the states and territories.