



# **Rolling out the regional pork barrel: A threat to democracy?**

**Scott Prasser**

**Faculty of Business, University of the Sunshine Coast  
and**

**Geoff Cockfield**

**Faculty of Business, University of Southern Queensland**

**Discussion Paper 22/07 (December 2007)**

---

Democratic Audit of Australia  
Australian National University  
Canberra, ACT 0200  
Australia  
<http://democratic.audit.anu.edu.au>

The views expressed are the authors and do not necessarily reflect those of the Democratic Audit of Australia.

# Rolling out the regional pork barrel: A threat to democracy?

Scott Prasser and Geoff Cockfield

The Australian National Audit Office's (ANAO) recent report on the *Regional Partnerships Program*<sup>1</sup> highlights a number of problems with the administration of this scheme, including the possible politically biased allocation of funds, a breach of government financial standards and in some cases the failure of projects to achieve defined outcomes. The Report became public knowledge during the 2007 election campaign and the news media, Labor Opposition and even the satirical program *The Chaser*, made much of the apparent pork barrelling. The then Labor Opposition Regional Development spokesperson, Simon Crean, alleged that there had been 'massive rorting' and 'widespread corruption.'<sup>2</sup>

'Rorting' in the Australian political vernacular implies fraudulent or at least underhand actions while corruption usually implies gain through dishonest means. 'Pork barrelling', or the funding of projects with a primary goal of winning votes, falls well short of either corruption or 'rorting'.<sup>3</sup> Individuals and political parties may 'gain' salaries and power as the result of a bundle of previous and promised expenditures, but that is part of democratic competition. Nor can the *Regional Partnerships Program* be considered fraudulent, even if it had a primary purpose of political gain because the stated goal was to stimulate regional economic activity, which even the most ludicrous expenditure would have done, if only temporarily. As to the implication of being 'underhand' there was no official acknowledgement by the key policy actors that one purpose was electoral advantage, but the ANAO is part of the broader system of democracy and its report provides citizens with an opportunity to draw their own conclusions on the goals and performance of the *Regional Partnerships Program*.

## Program background

When the Howard Government was elected in March 1996 it largely dismantled the previous Labor government's regional programs and structures. Within the Department of Transport and Regional Services (DOTARS), the regional component was limited and dwarfed by the transport focus. There was initial funding of \$20 million over two years for regional adjustment following changes in transport services and by 1998/99 there was some funding to support rural communities. The major role of the Regional Development program was to monitor and try to coordinate the impacts of overarching national policies

---

<sup>1</sup> Australian National Audit Office (ANAO), 2007, *Performance Audit of the Regional Partnerships Programme*, Canberra, Commonwealth of Australia,

<sup>2</sup> Ben Packer and Peter Jean, '\$328m pork-barrel claim', *Herald Sun*, 16 November 2007, <http://www.news.com.au/heraldsun/story/0,21985,22766361-5013904,00.html>, accessed December 1, 2007

<sup>3</sup> The Democratic Audit uses the term 'institutional corruption' to cover this kind of abuse of public resources for political gain or unauthorised political purposes. See Barry Hindess, *Corruption and Democracy in Australia*, Audit Report No. 3, 2004, Ch. 3.

on regions. This was in line with the policy approach of the time whereby good national policies were assumed ultimately to benefit all Australians through trickle-down effects and the clearing away of impediments to productivity. These benefits were not apparent to citizens in some rural and regional areas as primary industries struggled under adverse climatic and market conditions and secondary industries closed or withdrew.

Rural and regional discontent manifested in support for the populist One Nation.<sup>4</sup> At the 1998 federal election, One Nation received 8.4 per cent of the House of Representatives vote, while in the Queensland State election of that year, One Nation won 11 seats. The National Party was especially adversely affected receiving less than 5.3 per cent of the House of Representatives vote, its worst ever result, and it has been unable to recover fully at a State level in Queensland, formerly a stronghold. There followed a number of initiatives including the 1999 *Regional Australia Summit*, the Prime Minister's 'listening tour' of regional Australia in 2000, and inquiries into regional employment and regional telecommunications.<sup>5</sup> In the Federal bureaucracy some of the social and regional economic programs from the former Department of Primary Industries and Energy, such as *Rural Communities* and *Countrylink*, were transferred to DOTARS. Based on *Regional Summit* recommendations, the *Regional Solutions* program commenced in 2000. According to the Deputy Prime Minister and Minister for Transport and Regional Services, John Anderson,<sup>6</sup> the guidelines for the program had been 'rigorously drawn up to meet ANAO (Australian National Audit Office) objectives and standards'.

The initial focus was on funding non-profit and community organisations to undertake activities that would contribute to economic and social development. The *Sustainable Regions* program followed in 2001 to provide developmental assistance for regions wishing to address self-identified priority issues. Specific industry adjustment packages such as the *Dairy Regional Assistance Programme*, were also managed from this Department. To support the process of allocating regional program funds, a network of Area Consultative Committees was established, allowing the Federal government to deal directly with regional organisations and, later, businesses. This structure, bypassing State and local governments, also allowed government members to maximise their electoral profiles when making the announcement and then handing over the cheque.

The *Regional Solutions* scheme, already under early fire as a source of pork for the barrel, was subsumed, along with eight other programs, by the *Regional Partnerships Program* in 2003.<sup>7</sup> The target for the funding shifted away from community groups

---

<sup>4</sup> Geoff Cockfield, 1997, 'Rural Policy: More of the same?' in Scott Prasser and Graeme Starr, (eds), *Policy and Change: The Howard Mandate*, Sydney, Hale & Iremonger, 158-171; Bill Pritchard and Philip McManus (eds), 2000, *Land of Discontent*, Kensington, UNSW Press.

<sup>5</sup> Jennifer Curtin, and Dennis Woodward, 2002, 'Whatever happened to the rural revolt: Thwarted by symbols, science and substance? *Jubilee Conference of the Australasian Political Studies Association*, Canberra, October.

<sup>6</sup> John Anderson, MP, 2000, *Address: Launch of the Regional Solutions Program*, 27 October. [http://ministers.dotars.gov.au/ja/speeches/2000/as13\\_2000.htm](http://ministers.dotars.gov.au/ja/speeches/2000/as13_2000.htm)

<sup>7</sup> Andrew Beer, Alaric Maude, and Bill Pritchard, 2003, *Developing Australia's Regions: Theory and Practice*, Sydney, Allen & Unwin

towards specific business proposals on the grounds that business development could lead to investment that had a longer term impact in regions. Since 2003, over \$400 million, an average of \$80 million a year, has been allocated to *Regional Partnerships* projects. During the 2004 election campaign \$58 million was allocated to the *Regional Partnerships* and \$90 million in the 2007-8 Budget. These are modest allocations compared, for example, to natural resources and transport programs that have a strong regional focus, such as \$3 billion for the *Natural Heritage Trust*, \$1.4 billion to the *National Action Plan for Salinity and Water Quality*, \$2 billion to the *Australian Water Fund*, \$200 million for the *Living Murray Initiative*, \$22 billion for land transport, \$10 billion to save the Murray-Darling. Furthermore, most of the post-1998 regional programs have been crafted so that there is no necessary commitment to particular levels of annual funding and the allocations to community groups and businesses, were and continue to be, time limited.

The flexibility in annual allocations from *Regional Solutions* and later *Regional Partnerships* was in accord with two goals of the Howard Government. First, the preference of the Howard Government, and indeed of the previous Labor government, was that economic development would normally flow from private investment, so there was a reluctance to commit to on-going government support. Second, the Howard Government hoped to ride out the regional political unrest and so allocations could be increased at strategic points of the electoral cycle, and then wound down at other points. *Regional Partnerships* was partly designed through its project focus, flexible criteria and, importantly, ministerial approval and control, to allow the Howard Government to target particular regions, to show concern and to counter future outbreaks of rural populism quickly. The 1998 and 2001 elections featured extensive promises in regard to regions, leading to the program changes described above. The 2004 and 2007 elections were, in contrast, much more focussed on urban and peri-urban issues, with the regional programs policy framework largely unchanged for 2007. It may also be that the Howard Government and its advisers became aware of, or at least came to believe that there were, regional economic differences, some exacerbated by economic reforms of the 1980s and 1990s.

### **What the Auditor-General found**

The ANAO report on the *Regional Partnerships Program* made several critical findings. First, and unlike much of the media attention that highlighted the political manipulation aspects of the *Regional Partnerships Program*, the ANAO report gave detailed attention to its administration. For instance, attention was given to the Program's under-spending. During its first three years the Program was allocated \$409.7 million, but only \$327 million was actually spent—a 20 per cent shortfall. Such under-spending reflected the Program's continuous approval arrangements, reliance on ministerial approvals, and short-term project focus. Together, these features made Program 'challenging to administer.'<sup>8</sup> There were numerous administrative problems in terms of training and

---

<sup>8</sup> ANAO, 2007, Vol 1: Summary and Recommendations, 24

processes within DOTARS.<sup>9</sup> This sometimes resulted in DOTARS rushing assessment of projects or advancing a larger proportion of the funds than would normally have been the case.<sup>10</sup> DOTARS often ignored the Program's guidelines in making recommendations and failed to follow up on project outcomes or to check funding from project partners.

Second, there were a range of issues raised in the previous Senate committee report<sup>11</sup> that prompted the ANAO investigation concerning the 'perception that funding decisions were not merit based.'<sup>12</sup> This was manifested in complaints that more funding went to Coalition seats which were seen to be caused by the prime role ministers had in determining applications projects. Also, there was the concern that funding was tied too closely to the electoral cycle and election campaigns. The ANAO's findings on this issue were not a clear cut as some commentators have suggested.

Certainly, the ANAO found that 73 per cent of the applications for grants were from rural electorates. Further, 77 per cent of the approved grants went to rural electorates.<sup>13</sup> However, the ANAO noted that such dominance of applicants from rural electorates was not surprising given the program's 'focus on regional and rural communities'<sup>14</sup> and the 77 per cent of total funding to such electorates was 'consistent with the pattern of applications.'<sup>15</sup>

More importantly, is the issue of whether there was any partisan bias in the allocation of project grants with Coalition electorates receiving a greater, or possibility, unfair share of the grants. The ANAO acknowledged that as 'rural seats were predominantly held by Coalition parties,'<sup>16</sup> during this phase of the program operating then it was understandable that Coalition seats were the major beneficiaries given the inherent goals of the program.<sup>17</sup> Nevertheless, the ANAO identified that the ten electorates (6.7 per cent of all electorates) with the highest funding (34 per cent of approved funding) were not just rural ones, but also were Coalition ones.<sup>18</sup> Also, Labor seats were under-represented in project applications,<sup>19</sup> though there was "little difference in the overall rate at which

---

<sup>9</sup> ANAO, 2007, Vol 1: Summary and Recommendations, 24, 35-36, 56-85

<sup>10</sup> ANAO, 2007, Vol 1: Summary and Recommendations, 103-104

<sup>11</sup> Senate Finance and Public Administration References Committee tabled a report in October 2005 on the Regional Partnerships and Sustainable Regions Programs

<sup>12</sup> ANAO, 2007, Vol 1: Summary and Recommendations, 22

<sup>13</sup> ANAO, 2007, Vol 1: Summary and Recommendations, 23, 46

<sup>14</sup> ANAO, 2007, Vol 1: Summary and Recommendations, 23-24

<sup>15</sup> ANAO, 2007, Vol 1: Summary and Recommendations, 23

<sup>16</sup> ANAO, 2007, Vol 1, Summary and Recommendations, 23

<sup>17</sup> ANAO, 2007, Vol 1: Summary and Recommendations, 23

<sup>18</sup> ANAO, 2007, Vol 1: Summary and Recommendations, 23-24

<sup>19</sup> ANAO, 2007, Vol 1: Summary and Recommendations, 23-24

applications submitted by applicants in electorates held by various parties were approved for funding over the full three years.”<sup>20</sup>

However, the ANAO found that the government gained advantages not just in the allocation of the grants to Coalition electorates, but in their timing to coincide with elections. In particular, there was a rush to allocate grants in the run-up to the 2004 election.<sup>21</sup> In some cases announcements of successful grants were delayed to coincide with the election campaign,<sup>22</sup> another advantage of incumbency.

What made criticisms of these allocation decisions appear to have some validity was that final decisions about applications resided entirely with the Minister for Transport and Regional Services, not with the department or some independent body. Certainly, while DOTARS gave advice on applications, the minister, later expanded to a ministerial committee following the advice of previous reviews, could and did overrule such advice. It was this discretionary power of the ministers that lies at the heart of the Opposition’s criticisms of the Program.

Certainly, a number of other findings reinforced perceptions of partisan manipulation. For instance, it was found that applications from Coalition electorates not supported by DOTARS were more likely to be overruled by the minister than assessments of applications from Labor electorates.<sup>23</sup> According to the ANAO, such ministerial decisions were often unaccompanied by clear explanations as to why the department’s advice had been rejected.<sup>24</sup>

Nevertheless, the extent that ministers overruled the department needs to be understood. According to the ANAO report, ministers rejected departmental advice on relatively few projects. Between 2003 and 2006, of the 1366 projects supported by the department there were ministerial disagreements in only 88 cases or 6.4 percent of the total projects. Ultimately, ministers only overruled departmental advice in favour of applications in 50 cases or 3.7 per cent of all proposed projects.<sup>25</sup>

Still, there were related problems. Projects that failed to meet designated outcomes and suffered cost overruns were often those where the minister had overruled department advice and involved Coalition electorates. Coalition members were more likely to gain access to the minister to seek support for projects in their electorates than Labor members.<sup>26</sup>

---

<sup>20</sup> ANAO, 2007, Vol 1: Summary and Recommendations, 24

<sup>21</sup> ANAO, 2007, Vol 1: Summary and Recommendations, 36-37,51

<sup>22</sup> ANAO, 2007, Vol 1: Summary and Recommendations, 51

<sup>23</sup> ANAO, 2007, Vol 1: Summary and Recommendations, 24

<sup>24</sup> ANAO, 2007, Vol 1: Summary and Recommendations, 37

<sup>25</sup> ANAO, 2007, Vol 1: Summary and Recommendations, 45

<sup>26</sup> ANAO, 2007, Vol 1: Summary and Recommendations, 59

The ANAO also criticised DOTARS for failing to alert ministers concerning their responsibilities under the *Financial Management and Accountability Regulations*.<sup>27</sup> Indeed the many criticisms in the report concerning DOTARS' management of the Program suggests that there was as much an administrative failure with this Program as a political one, in terms of perceived pork-barrelling. This included departmental failure to follow guidelines in making assessments,<sup>28</sup> to pursue reports from grant recipients or to develop adequate performance criteria.<sup>29</sup>

### **Key issues**

The ANAO report was seen by then Opposition spokesman Simon Crean as a 'damning indictment of the way the National Party and the Government have used the *Regional Partnerships Program* as a blatant pork-barrelling exercise'.<sup>30</sup> This was also the focus of media criticism, which tied the *Regional Partnerships Program* into the recent federal election and stressed the questionable value of several rushed ministerial decisions, some of which appeared to directly benefit the approving minister, Mark Vaile, the Deputy Prime-Minister.<sup>31</sup>

However, pork-barrelling is not necessarily corrupt or undemocratic. Quite the contrary, democratic politics is about compromise and responding to electorate and interest group demands for particular policies and services. Professor Finn in accepting the need for 'probity in government' also suggested we:

*Should not forget ... that the processes of the democratic and representative system to which we are committed, are based on compromise, on securing and using influence, on obtaining advantages for constituents, constituencies and ... for MPs and ministers ... some level of compromise, use of influence ... is a necessary and unexceptional feature of our public life.*<sup>32</sup>

Requirement of too stringent an interpretation of what is proper and attempts to totally reduce 'political' decision making would, said Finn, 'render the modern practice of government unworkable.'<sup>33</sup>

What makes pork-barrelling potentially undemocratic is that if it results in sub-optimal use of public money because projects did not meet objectives or were cost ineffective, thus reducing the availability of funding for other purposes. Hence other interests and

---

<sup>27</sup> ANAO, 2007, Vol 1: Summary and Recommendations, 42

<sup>28</sup> ANAO, 2007, Vol 1: Summary and Recommendations, 57, 62-63

<sup>29</sup> ANAO, 2007, Vol 1: Summary and Recommendations, 83-85

<sup>30</sup> Simon Crean, MP, 2007, cited ABC 15 November

<sup>31</sup> *Sydney Morning Herald*, 'Deputy PM in last-ditch pork barrel,' 17-18 November 2007

<sup>32</sup> Paul Finn, 1991, 'Why corruption should not compromise judgement', *The Australian*, 9 August

<sup>33</sup> Finn, 'Why corruption should not compromise judgement'.

individuals are deprived of what they could have received, perhaps because they are not as politically organised or are in a demographic group or electorate that is considered less politically important at a particular time. In addition, the funding decision directly benefits the political fortunes of those making the decision, so there is the appearance of vote-buying. Democracy however, does not mean that efficiency is always, or even ever, an outcome of programs, rather it means that processes are open enough for the electorate to assess the decisions and to vote accordingly.

Hogwood and Peters, like Professor Finn, warned of the need to see the distinctions between overt corrupt activity and democratic politics responding to rent-seeking behaviour by interest groups. As they suggested:

*We must be careful ... to differentiate real corruption from activities which are regarded as corrupt by many citizens and which may produce sub-optimal expenditure patterns, but which are not patently corrupt. In particular, 'log-rolling,' 'pork barrel' legislation are frequently decried as corrupt. These means of conflict resolution ... result in more spending for some programs than might otherwise have been the case, but are not corrupt per se.*<sup>34</sup>

Indeed, if sub-optimal expenditure indicated corruption, roting or even pork- barrelling, then no government would escape blame. Australia has in the past initiated many projects that have become 'white elephants,' some of which were not targeted at particular votes but were part of a grand vision. The Ord River Scheme is one such, which was, initially at least, a nation-building exercise with presumed benefits for all. While developed for legitimate public purposes, such projects also often sought to accrue some sort of political advantage to the government giving their approval.<sup>35</sup> Many of these like the recent very fast train project and Federation Square in Victoria, sport stadiums and events in South Australia, and magnesium processing plants in Queensland have been costly, wasteful and failed to meet stated objectives.<sup>36</sup>

*Regional Partnerships*, like the preceding *Regional Solutions*, involved some highly questionable and, on occasion, easily ridiculed projects. There was \$250 000 allocated for the visitors' interpretation centre for rhododendron gardens in Tasmania and so-called 'icon' projects such as the aviation museum for Bundaberg and the Rodeo Hall of Fame in Mt Isa promised in the last election. The recent ANAO report provides further examples.<sup>37</sup> The issue is whether, given the short time-periods and the regional and community-based nature of many of these projects, that any other result could be

---

<sup>34</sup> Brian W Hogwood, and B Guy Peters, 1985, *The Pathology of Public Policy*, Oxford, Clarendon Press, 143

<sup>35</sup> Pam Scott, (ed), 1992, *A Herd of White Elephants*, Sydney, Hale & Iremonger

<sup>36</sup> Scott Prasser, 2007, 'Overcoming the "White Elephant" Syndrome in Big and Iconic Projects in the Public and Private Sectors', in John Wanna, (ed), *Improving Implementation and Project Management*, Canberra, ANZSOG Series, ANU Press, 47-70

<sup>37</sup> ANAO, 2007, Vol 3: Project Case Studies



expected. These projects are almost inevitably disconnected from overarching policy frameworks.

A second issue for the ANAO was about ministers making decisions on individual applications and sometimes, in a small number of cases, rejecting departmental advice.<sup>38</sup> That this was sometimes done without clear reasons added to concerns over and adverse perceptions of the *Regional Partnerships Program*.

The issue is whether elected officials should be directly involved in making decisions about individual projects or whether their role should be restricted to setting up frameworks and criteria and letting public servants or an 'independent' body make the final assessments about projects. Such arrangements have been proposed, and even adopted across some local governments in relation to major development projects, to avoid possible accusations of conflicts of interest against elected councillors.<sup>39</sup> However, given the origin, aims and political context of the *Regional Partnerships Program*, it is understandable why governments do not want to lose such direct control over programs that involve the dispensing of grants to key electorates.

According to the ANAO report in relation to *Regional Partnerships* 'ministers are expected to discharge their responsibilities in accordance with wide considerations of the public interest and without regard to considerations of a party political nature'.<sup>40</sup> But since when was democracy and democratic decision-making only about making optimal decisions in the public interest, and who decides and defines optimal projects and the 'public interest'? It is not clear why elected officials should not seek kudos and votes for the policy and programs they develop. However, the then Opposition Leader, Kevin Rudd, was reported as supporting the need for an independent departmental approval process whereby ministers would not be able to overrule such advice about individual projects.<sup>41</sup>

The final issue is whether pork-barrelling constitutes corrupt behaviour. If corruption, as defined by Bryce is 'those modes of employing money to attain private ends by political means which are criminal or at least illegal'<sup>42</sup> then pork barrelling hardly rates. However, if Rogrow and Laswell's wider view that corruption exists if there are 'violations of common interest for special advantage'<sup>43</sup> then pork-barrelling involving extensive and importantly, deliberate misallocation of funds for political support may be regarded as a

---

<sup>38</sup> ANAO, 2007, Vol 1: Summary and Recommendations, 24

<sup>39</sup> In South Australia councils must under the *South Australian Development Act*, delegate powers and functions in relation to approving development projects to a development assessment panel, council officer or regional assessment panel.

<sup>40</sup> ANAO, 2007, Vol 1: Summary and Recommendations, 20

<sup>41</sup> *Sydney Morning Herald*, 'Deputy PM in last-ditch pork barrel', 17-18 November 2007

<sup>42</sup> James Bryce, 1921, *Modern Democracies*, New York, St Martins

<sup>43</sup> Arnold Rogrow and Harold Laswell, 1963, *Power, Corruption, and Rectitude*, Prentice Hall, Englewood Cliffs, New Jersey, 132-133

form of 'corruption'. The key issue is the extent to which there were funding misallocations under the *Regional Partnerships Program*. While there were definite problems, the ANAO does not make a clear case that problems were as pervasive or as deliberate as suggested by some commentators. Moreover, the ANAO's report also highlighted a number of accountability improvements that the department had developed and the government had accepted from previous inquiries. These included a single assessment process introduced in 2005, revised guidelines, training for staff, funding limits on applications, and attention to conflicts of interest concerning ministers.

## Conclusions

While some have sought to draw parallels to an earlier ANAO report on the Community Cultural, Recreational and Sporting Facilities Program<sup>44</sup> (the so called 'Sports Rorts' affair) there were real differences with the *Regional Partnerships* program. Under the previous sports grants scheme, the then minister not only made many of the decisions about the allocation of large amounts of the funding but also was unable to provide any information as to how and why she made the allocations. This was because she had written them on a whiteboard that was subsequently wiped. Ministerial decisions in relation to the *Regional Partnerships* program were applied more discreetly, the process had more extensive departmental involvement, and there were clearer criteria as to application assessment. Nevertheless, problems remain with the *Regional Partnerships Program*, especially over perceptions that a taxpayer-funded scheme was being manipulated for covert political purposes; that it sometimes involved rushed decision-making by both ministers and the department; and that existing guidelines were too often ignored.

At the same time, every government needs a program like *Regional Partnerships*. That is why Labor has been reluctant to condemn the current *Regional Partnerships Program* outright. Indeed, Mr Rudd, as Opposition Leader indicated that the program would continue under a Labor government with some changes as noted. Given that Simon Crean as shadow minister for regional issues during the election indicated that since a Labor government had a number of regional initiatives it wanted to implement, then the *Regional Partnerships Program* in a revised form will be needed as an administrative vehicle to achieve these goals.

In redeveloping the *Regional Partnerships* program, the new Labor government may be tempted to have all decisions concerning applications for funding left with the department. This may be good for short term electoral appeal, but inappropriate for democratic politics. After all, voters want special action to help their local project regardless of other community demands and grant guidelines. Voters often seek ministerial intervention because they are dissatisfied with formal approval processes and

---

<sup>44</sup> ANAO, 1993, *Community, Cultural Recreational and Sporting Facilities Program*, Audit Report No 9, Commonwealth of Australia, Canberra. The 1993 report found it impossible to 'assess' Kelly's 'decision-making procedures' as there was a lack of documentary records. A parliamentary committee with a Labor majority found that although Kelly's actions were 'not illegal', her administration of the grant scheme was 'deficient'. Kelly eventually resigned from the Keating ministry.

decisions by departments. In some cases projects may be of value to a local community even if they do not meet broader program objectives. Elected officials want to show that they not only care but also that they have the power to make decisions – otherwise why be in government? Seeking to break this connection by placing everything into the hands of formal bureaucratic decision-making would seem to pose real problems for democratic governance. As Aaron Wildavsky<sup>45</sup> once argued, do we want to be governed by formula or democratic politics? Furthermore, in this context, we need to remember, as noted above, that ministers overruled relatively few projects supported by the department.

If allocating funds on ‘political’ grounds is an accepted part of democratic government, then perhaps the focus should not be on ending ministerial involvement in decision-making, but in ensuring that the processes of allocation are transparent and that voters are able to assess the decisions about the approved projects. The stress should be on ensuring the ongoing operations of independent bodies like the ANAO, which can openly report on such projects. This is becoming a challenge, given threats around Australia in recent times, across different jurisdictions, to the independence of auditors-general.<sup>46</sup> Indeed, there was a considerable reaction to Mr Vaile’s suggestions that the general circulation of ANAO Report’s findings during an election campaign had been possibly politically motivated, hinting that such releases should be restricted. This gained no traction amongst his colleagues and much adverse media comment, considering the findings had been released to all relevant ministers much earlier, seeking comment, little of which was forthcoming. The protection of the independence of the ANAO is an important democratic principle.

While the ANAO Report was not a decisive factor in the 2007 election result, its release and reception is a cautionary tale for ministers. Voters may not be up on all the detail, but can reasonably grasp the political intention and may react adversely. Given the recent federal election results, which saw the Coalition lose many regional seats, some of which had been recipients of large federal funding, the political value of such ‘pork-barrelling’ must be questionable.

---

<sup>45</sup> Aaron Wildavsky, 1971, ‘The Political Economy of Efficiency: Cost Benefit Analysis and Program Budgeting’, in Aaron Wildavsky, *The Revolt Against the Masses*, New York, Basic Books, 183-209

<sup>46</sup> Scott Prasser, 2007, ‘Auditor-general,’ in Brian Galligan and Winsome Roberts, (eds), *Oxford Companion to Australian Politics*, Oxford University Press, Melbourne, 50-53