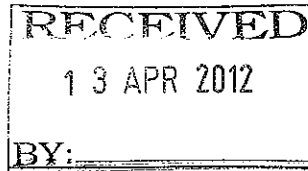




The Hon Anthony Albanese MP

Minister for Infrastructure and Transport
Leader of the House

Reference: 01718-2012



29 MAR 2012

Mr Robert Oakeshott MP
Chair
Joint Committee of Public Accounts and Audit
PO Box 6021
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr Oakeshott

I am writing to you in relation to findings from ANAO report No. 21 2011-12, specifically three instances identified by their report as approval of funding within my electorate which was not reported to the Finance Minister.

These instances relate to the determination of allocations for the Roads to Recovery program on 26 February 2009 under Part 8 of the then *AusLink (National Land Transport) Act 2005*.

The Roads to Recovery Program is a long standing non-competitive program that provides funding to all local government authorities across Australia for local road projects nominated by each council.

Allocations for all councils in each jurisdiction (except the ACT as it is a unitary jurisdiction) are determined on the basis of the recommendations of the Local Government Grants Commissions in each state and the Northern Territory for the roads component of the Financial Assistance Grants.

This is the same methodology as was used for this purpose in both previous Roads to Recovery programs and is strongly supported by the Australian Local Government Association. It is also the same methodology used to allocate and distribute funding for the Financial Assistance Grants and is strongly supported by the Australian Local Government Association.

I did not exercise any discretion to vary the allocations, including the amount each Council received.

In that regard, I see the manner in which this has been identified as a breach, without qualification of the nature of the Roads to Recovery program and the timing of the matter, as being potentially misleading.

I am extremely disappointed with the representation of the finding and wish to strongly voice my dissatisfaction at the resulting public portrayal of the awarding of funding in my electorate under this program.

I believe that such reporting does little to enhance the credibility and standing of the Office of the Auditor-General. I have written to the Auditor-General expressing my concern with the Joint Committee of Public Accounts and Audit Report on this matter and the presentation of material provided by the ANAO.

Yours sincerely

~~ANTHONY~~ ALBANESE