



**Helen  
Haines MP**  
INDEPENDENT FEDERAL MEMBER FOR INDI

## **END PORK BARRELLING BILL**

*Accountability of Grants, Investment Mandates and Use of Public Resources Amendment  
(End Pork Barrelling) Bill 2024*

PRIVATE MEMBERS BILL – Dr Helen Haines MP

### **FACT SHEET**

#### **Why is this Bill needed?**

- Independent Federal Member for Indi Dr Helen Haines will introduce her Accountability of Grants, Investment Mandates and Use of Public Resources Amendment (End Pork Barrelling) Bill 2024 in the House of Representatives on Monday 26 February 2024.
- The Private Members' Bill, drafted in partnership with the Centre for Public Integrity, addresses the ongoing misuse and lack of accountability and transparency in Government spending of public money, specifically in relation to Commonwealth grant programs.
- Commonwealth grants are vitally important to the positive and meaningful work carried out by community groups, small businesses, local governments and not-for-profit organisations, particularly in regional and rural Australia.
- Despite the necessity of grant funding to the effective operation of such groups, the administration of Commonwealth grants lacks transparency, accountability and safeguards to ensure fair and proper use of taxpayer money.
- Currently, grants may be awarded at the discretion of ministers, without merit and against official departmental advice. Ministerial discretion often escapes parliamentary and public scrutiny resulting in wasted public money. Such conduct does not promote proper use and management of public resources.
- Both the major political parties engage in 'pork-barrelling' by awarding grants to projects in marginal seats to win votes in the lead up to elections.<sup>1</sup> There have been numerous scandals in recent years involving grants being used for political purposes such as Sports Rorts, Commuter Car Park Rorts and the Community Battery for Household Solar program.
- It's clear that Australians are sick of pork-barrelling and the improper use of public money. A poll released in October 2023 by The Australia Institute found that 81 per cent of Australians consider it 'corrupt conduct' to allocate public money to projects in marginal seats to win votes.
- The Bill will improve how public money is managed and end pork-barrelling.

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<sup>1</sup> [New politics: preventing pork-barrelling \(grattan.edu.au\)](https://www.grattan.edu.au/new-politics-preventing-pork-barrelling). Page 20.

## How Dr Haines' Bill will work

If legislated, the Bill would have four key features:

### TRANSPARENCY

1. **Clear selection criteria for grants:** The Bill requires all Commonwealth grants programs, regardless of size, to have merit-based selection criteria and clear program guidelines. For grant programs worth over \$100 million there are additional reporting requirements.
2. **Improved grant oversight by Parliament:** The Bill creates the Parliamentary Joint Committee on Grants Administration, a joint cross-party standing committee to oversee grant administration and report to Parliament on compliance with grant guidelines.

### ACCOUNTABILITY

3. **Robust and public reporting to Parliament:** The Bill requires Parliament to have oversight over the administration, guidelines, selection criteria and approval process of all Commonwealth grants programs.  
The responsible minister must report directly to Parliament when they decide to award a grant contrary to departmental advice or in their own electorate. Currently a minister must only report this information to the Finance Minister.  
The Bill also requires Government Departments to periodically table documentation about the administration of grants programs over \$100 million. We shouldn't have to wait for a media investigation or audit report to uncover pork-barreling.
4. **Compliance with Investment Mandates:** Investment Mandates are legislative instruments that give government directives to Boards on how to invest and spend public funds. For instance, the Housing Australia Investment Mandate directs how the \$10 billion Housing Australia Future Fund is invested. The Bill requires the relevant Minister to table annual reports in Parliament about how the Investment Mandate has been complied with, and requires the Minister to prepare a report to Parliament if the Board spending the money fails to comply with the investment mandate. The Bill also makes Investment Mandates disallowable instruments, to improve Parliamentary oversight.

## Examples of a broken system

**From maladministration to misuse of public funds for political gain**, the Australian National Audit Office has made the following findings:

- \$220.5 million Regional Jobs and Investments Packages: ‘Applications were not soundly assessed in accordance with the program guidelines [...] The eligibility requirements were not applied in full, and there are indications of shortcomings in the assessment of the merit criterion most directly related to the program outcomes.’
- \$100 million Community Sport Infrastructure Grant Program: ‘The award of grant funding was not informed by an appropriate assessment process and sound advice’.
- \$184.13 million Safer Communities Fund: ‘Funding decisions were not appropriately informed by departmental briefings and, for the majority of decisions, the basis for the decisions was not clearly recorded’.
- \$660 million Commuter Car Parks Project: Seventy-five per cent of projects announced were in Coalition seats with no competitive process. The Audit Office found: ‘Project distribution reflected the geographic and political profile of those given the opportunity to identify candidate projects for funding consideration’ ... ‘the geographic distribution of projects did not reflect the distribution of key factors relevant to the achievement of the policy objectives’.
- \$1.25 billion Community Health and Hospitals Program: administration of the program was ‘ineffective and fell short of ethical requirements’, and ‘undermined by deliberate breaches of the Commonwealth Grants Rules and Guidelines and failure to advise government where there was no legislative authority for grant expenditure’.

Other analysis has found:

- \$1.38 billion Building Better Regions Fund: Coalition-held regional seats were allocated more than four times as much as Labor-held regional seats between 2018-2021.<sup>2</sup>

Since the 2022 Federal Election, the following has occurred:

- Mobile Black Spot Program: The first round of funding delivered by the newly elected Labor Government was only by invitation, and only to electorates that had been promised new towers during the 2022 election campaign. Seventy-five per cent of these towers were in Labor seats; in NSW 100 percent of towers were in Labor seats.
- Community Batteries for Household Solar Program: Round one of this program was only open via invitation to deliver Labor election commitments. The locations eligible to apply for the grant were not selected by the relevant Government Department. 74% of the suburbs that were eligible for a grant were in seats the Labor party hoped to gain or hold.

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<sup>2</sup> [New politics: Preventing pork-barrelling \(grattan.edu.au\)](https://www.grattan.edu.au/new-politics-preventing-pork-barrelling), page 13.

## Frequently Asked Questions about the Bill

### **Should Ministers have their discretionary powers to award grants removed completely?**

The purpose of the bill is not to remove or curtail ministerial discretion. When voters elect a government, they place their trust in that government to make sound decisions on their behalf. This includes decisions about spending public money. This Bill would provide checks and balances on that discretion, so the public can trust that decisions are being made in the public interest. The purpose of the Bill is to improve the transparency and accountability of government decision making and grants administration.

### **What about the Joint Committee on Public Accounts and Audit Report recommendations?**

The JCPAA made recommendations in June 2023 which included greater adherence to grant guidelines, requirements for merit-based grant allocations, and requiring justifications for ministerial decisions going against departmental advice. Dr Haines' Bill takes these recommendations further by setting out in legislation a framework for grants administration, requiring ministerial decision-making to be tabled in Parliament rather than just reported to the Finance Minister, and setting up a Parliamentary Joint Committee on Grants Administration to oversee grant guidelines, selection criteria and grant approvals.

### **How is this different to Senator Gallagher's Private Members Bills introduced in the last Parliament?**

In 2021, Senator Gallagher introduced a Private Senators' Bill called the 'Improved Grants Reporting Bill'. The intent of this Bill was the same as Dr Haines' Bill – to improve accountability and transparency in grants administration. But like the JCPAA report, Senator Gallagher's Bill did not go far enough, only requiring ministers who award grants in their own electorate or against departmental recommendations to report the decision to the Finance Minister. Dr Haines' Bill requires these decisions to be reported to Parliament and to a multi-party parliamentary committee and sets out a framework in legislation for grant guidelines and selection criteria.