



Dr Caralee McLiesh PSM  
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By email: [ag1@anao.gov.au](mailto:ag1@anao.gov.au)

Dear Dr McLiesh

1. I write to you expressing my concerns with the Albanese Labor Government's Priority Community Infrastructure Program (PCIP) and Investing in Our Communities Program (IOCP).

#### Current information regarding the PCIP and the IOCP

2. I understand the following about these programs:
  - a. Both the PCIP and the IOCP are administered by Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the Department).
  - b. The purpose of the PCIP and the IOCP are to deliver on the Albanese Labor Government's 2022 election commitments.
  - c. The applications for the PCIP and the IOCP state that both programs are 'one-off, closed, non-competitive grant program[s]'.
    - d. The PCIP:
      - i. Aims to deliver election commitments of more than \$5 million.
      - ii. Was budgeted at \$1 billion over five years in the October 2022 Budget.
      - iii. As of 27 September 2024, according to research conducted by the Parliamentary Library using GrantConnect, grants to the value of \$889,574,794 have been approved.
    - e. The IOCP:
      - i. Aims to deliver election commitments of less than \$5 million.
      - ii. Was budgeted \$349.9 million over five years in the October 2022 Budget.
      - iii. As of 27 September 2024, according to research conducted by the Parliamentary Library using GrantConnect, grants to the value of \$271,228,820 have been approved.
  - f. Applications for the PCIP and the IOCP closed on 30 November 2023.

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- g. According to a briefing from the Department to the Minister for Infrastructure, Transport, Regional Development and Local Government Catherine King (**Minister King**) obtained through a Freedom of Information (**FOI**) request, “for both programs, the allocation of funding was determined with reference to lists of projects formulated in discussion with the Department of Finance and your office”.<sup>1</sup>
- h. According to that same information obtained through FOI, on 7 July 2023 to Minister King wrote to the Prime Minister, on advice of the Department, seeking his approval to a number of changes within the PCIP and the IOCP. These changes were prompted because:
  - i. A small number of commitments were inadvertently omitted from the original list provided by the Department of Finance in September 2022.
  - ii. A small number of commitments were identified for removal from IOCP or PCIP either because the election commitment was already being delivered through another portfolio, was being delivered within another area of the department or the Budget listing included both an election commitment and a Community Development Grants Programme Pre-election Economic and Fiscal Outlook commitment for the same project.

It is unclear the total value of commitments that were removed or added to the IOCP or PCIP after this request was made.

- i. The grant funding approved to date under both the PCIP and the IOCP totals approximately \$1.16 billion, out of the total combined budgets of approximately \$1.35 billion, leaving about \$19 million unspent.
- j. According to information received via another FOI request some eligible proponents invited to apply for the PCIP and the IOCP:
  - i. Did not know the scope of the project.<sup>2</sup>
  - ii. Did not have a budget for the project.<sup>3</sup>
  - iii. Requested significant variations in the amount of funding committed by the Government.<sup>4</sup>
- k. According to other information obtained through FOI, Minister King requested the Department to make a merits assessment of projects after the election commitment was made and Labor formed government.<sup>5</sup> It is unclear if projects were assessed before, during or after the funding was appropriated in the October 2022 Budget.
- l. According to analysis I have undertaken based on Parliamentary Library research:

<sup>1</sup> FOI24-421, page 2.

<sup>2</sup> The application sent by the grant recipient (Roman Catholic Church for the Diocese of Saint maron Sydney re the Our Lady of Lebanon Aged Care Centre Ltd carpark), where they state in the application section requesting a budget summary including project expenditure ‘we do not have such details as yet’. FOI24-311, page 33.

<sup>3</sup> The email correspondence from the grant recipient (Roman Catholic Church for the Diocese of Saint maron Sydney re the Our Lady of Lebanon Aged Care Centre Ltd carpark), where they state ‘we have not spent too much time (and money) until we know the funding is secured’. They are referring to parts of the application form. FOI24-311, page 17.

<sup>4</sup> The variation request by Central Coast Council. They were committed \$2.5 million for one project, and \$750,000 for another. They asked these amounts be swapped due to changes in cost estimates. FOI24-300.

<sup>5</sup> FOI24-242, page 9.

- i. These 'election commitments' were delivered across 104 electorates; and
- ii. Out of these 104 electorates, 66 were electorates that the Australian Labor Party held or gained in the 2022 election.
- iii. 86.8 per cent of Labor-won seats received a grant, compared to 51.7 per cent of non-Labor seats received a grant.
- iv. Some electorates were the recipient of multiple election commitments. For example, Boothby received funding under the IOCP and the PCIP for 17 projects, and Tangney received funding for 14 projects. This can be compared to other electorates that received none.

### Concerns with the PCIP and the IOCP

3. This information raises questions about whether the allocation of funding was decided through a robust and transparent planning and design process, and whether funding decisions achieved value with relevant money.

4. In the guidelines for both programs, it states:

*The Government is committed to delivering funding programs that are transparent and based on clearly defined eligibility criteria and assessment processes. [The programs have been] developed to deliver important community and social infrastructure that represent value with relevant money and identified by communities to improve social and economic viability in local areas.*

5. I am concerned that certain features of the IOCP and the PCIP lack a demonstration of this commitment, and therefore cause me to consider whether they constitute pork barrelling. This is based on the NSW Independent Commission Against Corruption's definition of pork barrelling as: "the allocation of public funds and resources to targeted electors for partisan political purposes".<sup>6</sup>

6. The features are:

- Both grant programs are one-off, closed and non-competitive. An applicant must be invited to apply. I query whether this means taxpayers could ever truly know that another project proponent, not invited to apply, may achieve better value for the same money, or that that same money would have been better spent elsewhere.
- The apparent retrofitting of guidelines and selection criteria *after* election commitments were made. I query whether a grant program can achieve 'clearly defined eligibility criteria and assessment processes' if the successful applicant is first identified, and *then* the guidelines or selection criteria are developed.
- The lack of any information that a grant applicant could have been rejected for funding based on a lack of merit.
- The funding was committed in certain electorates beyond the sole purpose of the public interest. Instead, funding was possibly committed in order for the Labor party to win enough seats in the 2022 election to form government.


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<sup>6</sup> Media release, 1 August 22, <https://www.icac.nsw.gov.au/media-centre/media-releases/2022-media-releases/icac-finds-pork-barrelling-could-be-corrupt-recommends-grant-funding-guidelines-be-subject-to-statutory-regulation>

**Request to investigate**

7. I ask that you please investigate the actions and decisions of the Government and relevant Departments in relation to the two election commitment programs.

Yours faithfully

A handwritten signature in black ink, appearing to be 'H. Haines', written over a large, stylized circular flourish.

Dr Helen Haines MP

Independent Federal Member for Indi

4 November 2024

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