

THE SATURDAY PAPER

NEWS

The funding for many promises in this election campaign appears to be coming out of government grants with vague criteria. By *Karen Middleton.*

Election cash splash coming from government grants



Treasurer Josh Frydenberg, Home Affairs Minister Peter Dutton and Prime Minister Scott Morrison at an LNP campaign rally in Brisbane.

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Federal major-party candidates are promising to upgrade Scout halls in marginal seats using money from the national security budget and announcing grants for commuter car parks from a half-billion-dollar fund with no eligibility criteria.

The Department of Home Affairs has confirmed that Scout and Guide hall upgrades are among the projects potentially eligible for grants under its Safer Communities Fund, set up to provide security infrastructure at schools and community facilities and protect children at risk of race-based or religious attack.

The department says applications for round four of the grants, which opened on March 19 and closed on April 4 – two days after the budget extended it by \$23 million to a total of \$55 million – are still being assessed.

But that has not stopped a slew of candidates promising grants for projects that appear to be expected to come from the fund.

Some Scout hall upgrade funding is also provided through the Department of Infrastructure, Regional Development and Cities.

Home Affairs Minister Peter Dutton announced the new Safer Communities funding round initially on March 4. He and Prime Minister Scott Morrison issued a second media release on March 18. The second announcement revealed the government had increased the fund “following the terrible terrorist attack in New Zealand”.

“Funding will be boosted for the upcoming round of grants from the fund for religious organisations to increase security at their premises,” their joint statement said, encouraging organisations to apply for grants of between \$50,000 and \$1.5 million. “Grants will be prioritised for religious schools, places of religious worship and religious assembly.” The funds would cover “safety enhancements such as CCTV cameras, lighting, fencing, bollards, alarms, security systems and public address systems”.

Recipients of previous rounds include Jewish, Christian, Islamic and Indigenous organisations, local councils, non-profit community groups, sports clubs, and Scout and Guide associations.

GOVERNMENTS HAVE HAD TO TREAD CAREFULLY WITH COMMONWEALTH GRANTS AND FUNDING SINCE THE 2012 HIGH COURT JUDGEMENT IN THE CASE OF WILLIAMS V COMMONWEALTH RULED THAT FEDERAL FUNDING FOR CHAPLAINCY PROGRAMS IN SCHOOLS WAS UNCONSTITUTIONAL.

The Department of Social Services has also confirmed a separate raft of election campaign announcements that Social Services Minister Paul Fletcher has been making with Liberal candidates around the country are grants that were approved prior to the government entering the caretaker period on April 11, many under a \$60 million program known as the Mutual Understanding, Support, Tolerance, Engagement and Respect (MUSTER) initiative, which began this financial year.

The government boosted the fund by \$7 million in last month's budget, all of which was earmarked for spending before the end of June. The department said the grants were made at the minister's discretion on an "ad hoc" basis.

The car park funds were also allocated with no competitive process.

The vast amounts of public money forming the basis for promises at this election from funds with broad eligibility rules and high levels of ministerial discretion are leaving some observers inside and outside the public service gobsmacked. They are also prompting questions about the legal basis for some of the commitments.

Governments have had to tread carefully with Commonwealth grants and funding since the 2012 High Court judgement in the case of *Williams v Commonwealth* ruled that federal funding for chaplaincy programs in schools was unconstitutional. The incoming Abbott government undertook a whole-of-government review of grant programs the following year to ensure none remained that might be found similarly unlawful.

The Infrastructure Department told *The Saturday Paper* that the government has not announced a public funding round under the \$500 million Commuter Car Park Fund, established in this year's budget, nor published any criteria for the grants. It is understood no eligibility criteria currently exist.

But the Pre-election Economic and Fiscal Outlook, published on April 17, revealed that \$389 million from the half-billion-dollar fund has already been committed.

The April 2 budget documents specified allocations of \$68 million on car parks for Victoria and \$50 million for New South Wales, leaving another \$271 million to be promised as required.

The Infrastructure Department confirmed the government – which it further specified referred to the elected government and not the department – made the allocation in the eight days between when the budget was handed down on the night of April 2 and when parliament was prorogued at 8.29am on April 11.

But individual projects had not been specified, beyond the budget's mention of the upgrades at Gosford, Woy Woy, Panania and Hurstville in NSW, and Mitcham, Bentleigh, Hampton, Croydon, Ferntree Gully and Ringwood in Victoria.

At a senate estimates hearing in February, Labor senators asked for details of the first Victorian car park, at Mitcham. Officials had to take nine consecutive questions on notice because they had no answers. They confirmed none of the roads funding had been allocated to fast-growing western Melbourne and that the government had selected the roads.

The Liberal Party's target seats are in the city's east.

Since funding has not been officially allocated, promises that candidates are making during the election campaign will need to secure formal ministerial approval after the election, if whichever party or parties forming government wishes to uphold them.

In Home Affairs, the Safer Communities Fund appears to be the funding source for a range of promises being made in seats the Coalition is targeting. The government has quarantined national security funding from the self-imposed provision that all spending across government must be offset by cuts.

The department responded to emailed inquiries from *The Saturday Paper*, saying that as long as an organisation has an Australian Business Number, is an incorporated not-for-profit entity and can make the case that the project's main purpose is "to protect children in their community at risk of attack, harassment or violence stemming from racial or religious intolerance", it is eligible for access to the fund.

Its guidelines say that "all applicants must link their application to protecting children as one of the demographics being protected (even if adults are also part of the demographic)".

A departmental officer confirmed that projects involving Scout halls and similar facilities would qualify. Such facilities have already been funded under previous rounds of the grants.

Improvements to community facilities are featuring strongly among the promises from Liberal and Labor candidates, especially in the seats most vulnerable to changing hands, as the election campaign enters its final week.

Like the Commuter Car Park Fund, the Safer Communities Fund grants are not obtained through a competitive process, but via ministerial discretion, allocated on a first-in, first-served basis. The department says no grants have

actually been allocated under the latest round of the fund, \$26.4 million of which was earmarked in the budget for the coming financial year.

The \$500 million fund for car parks at railway stations, aimed at easing road congestion, sits within a broader Urban Congestion Fund. That \$1 billion fund was expanded by a further \$3 billion in the budget.

On top of that, billions of dollars in specific road projects in every state and territory were itemised in the budget and are now being turned into election promises by candidates across the country.

The government also announced an extra \$496.2 million for the community development grants program within the Infrastructure Department, another popular source of election-promise funding.

The Social Services Department provided a statement on the MUSTER grants that Minister Fletcher has been announcing during the caretaker period. "All funding decisions under MUSTER are made in accordance with the guidelines and are based on formal written advice from the department," it said.

The decisions were made before the caretaker period began.

Minister Fletcher has also been announcing election campaign grants from several other funding programs within his portfolio, including the \$96 million Try, Test and Learn fund, designed to set the vulnerable on a path to "stable and sustainable independence", the Volunteer Management Activity program and the \$17 million Individual Placement and Support (IPS) trial, in which job services are co-located at headspace mental health facilities.

Fletcher announced a \$585,000 grant to the Frankston headspace centre under the IPS trial alongside Chris Crewther, the MP for the highly marginal seat of Dunkley, in outer Melbourne, on April 17.

Two days earlier, Fletcher was with the Liberal candidate for the Western Sydney seat of Lindsay, Melissa McIntosh, unveiling a \$1.09 million grant to Youth Insearch Foundation for its "Dependence to Independence" program.

Many candidates are incorporating promises to ease congestion on city roads into their campaigns for election.

A number of Liberal candidates not yet in parliament have been making high-value announcements, apparently on behalf of the government. They include McIntosh in Lindsay, Georgina Downer, in the South Australian seat of Mayo, and Kate Ashmor, in the Labor-held marginal seat of Macnamara, previously Melbourne Ports.

This week, Ashmor announced a \$500,000 grant for Middle Park Primary School. She did not respond to calls from *The Saturday Paper* seeking details of the funding source for the announcement.

It is not clear whether the money is also being promised under the Safer Communities Fund, or whether it may fall under the new \$30 million Local Schools Community Fund. The Education Department confirmed that the fund's program guidelines are "currently under development".

Labor candidates are also promising infrastructure improvements, with funding for roads and buildings also needing to be found within one of the government funds if Labor wins office on May 18.

Labor's candidate in Lindsay, Diane Beamer, joined deputy leader Tanya Plibersek to promise a \$15 million multi-purpose indoor sports centre at Penrith on April 14 and announced a major road funding commitment two weeks later.

The Labor MP for the Tasmanian seat of Braddon, Justine Keay, has promised \$258 million for roads, sports facilities, schools and training centres, agricultural schemes and mental health.

Her Labor colleague, member for Bass Ross Hart, joined shadow infrastructure minister Anthony Albanese to announce a \$150 million roads package for northern Tasmania on May 1 as the centrepiece promise along with a further \$62 million in other pledges.

The Commonwealth Grants Rules and Guidelines spell out the legislative basis upon which government entities are empowered to make grants and their responsibilities.

"An accountable authority must govern the affairs of the entity in a way that promotes proper use and management of public resources for which the accountable authority is responsible," the guidelines say. "When used in relation to the use or management of public resources 'proper' means efficient, effective, economical and ethical."

Ethics, like much of the funding criteria, can be subject to a broad interpretation.