

Bringing home the bacon: Perrottet faces grilling over pork-barrelling

By Alexandra Smith and Lucy Cormack/ Sydney Morning Herald

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When it comes to unity tickets, the Liberals and Greens are not usual bedfellows. But NSW Premier Dominic Perrottet, just a month into the top job, was clearly willing to throw caution to the wind.



Premier Dominic Perrottet during a budget estimates hearing this week. <code>CREDIT:DOMINIC LORRIMER</code>

Appearing on Thursday before his first budget estimates hearing as the leader of the government, Perrottet assured the Greens senator-in-waiting David Shoebridge that the pair were on the same page when it comes to how public money is spent.

Upper house MLC Shoebridge, who will leave Macquarie Street to contest a seat in the Senate when the federal election is called, had a simple question for Perrottet. Should pork barrelling be illegal?

Perrottet did not rule it out. "I'll seek advice, but we are on a unity ticket in ensuring there is public confidence and that government spending is not made for political purposes, or partisan decisions, but in the best interest of the state," he told budget estimates.

Shoebridge pressed Perrottet on whether he would condone "the use of public money for the purposes of benefitting the political party in power rather than the public good".

Perrottet's response? "That should not happen". <u>Discussions of pork barrelling have overshadowed the new premier's agenda</u> since the former leader Gladys Berejiklian fronted the Independent Commission Against Corruption as chief protagonist.

Berejiklian, who <u>stepped down as premier on October 1</u> when the ICAC revealed it would hold a public inquiry into her conduct, was under investigation over whether she breached the public trust through her refusal to declare her five-year romantic relationship with disgraced MP Daryl Maguire.

The probe looked at whether Berejiklian encouraged corrupt conduct during their secret love affair and whether she failed to report suspected corruption involving the former MP for Wagga Wagga. However, beyond the revelations of love, marriage and even a potential baby, the ICAC also lifted the lid on how public money is spent and how marginal electorates are won over with splashes of cash.



Gladys Berejiklian faced a second and final day at the ICAC on Monday. CREDIT: ICAC

In one of the most stark examples of how money is handed out in NSW, the ICAC revealed that Berejiklian told her long-term boyfriend that she would "throw money at Wagga Wagga...don't you worry about that". In another example aired at the ICAC, Berejiklian assured Maguire that she could overrule bureaucrats if they did not agree with the government's funding choices.

At the centre of Berejiklian's corruption inquiry were grants totalling more than \$35 million for Wagga Wagga, including \$5.5 million for the Australian Clay Target Association. Another \$30 million was promised in two stages to the Riverina Conservatorium of Music, although so far, only \$10 million has been handed out.

A parade of public servants were called to give evidence before the ICAC, further revealing how decisions are made in government. One, Office of Sport director Michael Toohey, gave a disturbing account from a bureaucrat's perspective. He told the ICAC he had serious concerns about the "flimsy" and "deficient" business case behind the grant application for the gun club.

The experienced public servant was at pains to highlight the issues he saw with the proposal, based on "imaginative" benefits to local tourism and the

economy. Revealed in what has now become known as the "WTF memo", an ex-adviser to former premier Mike Baird also raised his own concerns with the gun club project, saying it "goes against all the principles of sound economic management".

Nonetheless, the gun club, with the backing of then Sports Minister Stuart Ayres, received the funding.

Berejiklian last year felt no hesitation in conceding pork barrelling was part of the political process. All governments and oppositions do it "to curry favour," she said. "It's not an illegal practice".

She was referring to the government's controversial \$250 million council grants program, which was spent, overwhelmingly, in Coalition-held seats.

In similar comments to the ICAC on Monday, Berejiklian was frank about her government's decision to announce the \$20 million grant to the Riverina Conservatorium of Music during the Wagga Wagga byelection. The money is yet to be granted due to ongoing deficiencies in the project proposal. It was just a fraction of the \$100 million committed to the electorate during the 2018 byelection, triggered after Maguire resigned from parliament in disgrace after he became embroiled in another corruption inquiry.

Over two weeks the ICAC heard concerns from multiple bureaucrats about the financial viability of the project to build a new recital hall, but the former premier said she could not recall what advice she had received before announcing the substantial grant.

"Well, during a by-election, there's limited opportunity to do that, so often you make announcements, political parties will make announcements based on what they think is going to curry favour with the community," she said.

"So it doesn't follow the normal process that otherwise would."

Asked if it was possible the announcement went against advice, Berejiklian said: "it would not be the first time and it certainly won't be the last". Followed with: "It's not irregular. That's...how by elections work".

Former NSW Treasury secretary Percy Allan chairs the Evidence-Based Policy Research Project, a not-for-profit group focused on improving public policymaking. Other board members include the former head of Department of

Prime Minister and Cabinet Peter Shergold, former Ansell chairman Glenn Barnes and former Labor minister Verity Firth.

The project's key piece of work is what they call a statement of public interest. It says six key questions should be asked when any piece of legislation is debated. Need, objectives, options, analysis, pathways and consultation. If you can't answer those questions, then there is a deficiency with the legislation, Allan says.

Allan says there is no doubt the government should consider those questions when determining grants. "The statement of public interest was designed for bills but should also be extended to grants because it is really public policy management 101," he says.

<u>Perrottet on Wednesday ordered a review of how taxpayer-funded grants</u> are handed out, further distancing himself from his predecessor whose position on pork-barrelling he said he has never shared.

The review will focus on ensuring public money is allocated in line with "key principles of transparency, accountability and probity".

"Whatever community you are in you should have access to the best healthcare, the best education, the best public transport," the Premier said.

Facing budget estimates one day later, Perrottet defended the government's recent \$20 million pilot program to boost renewable energy in schools. Of the 25 schools to receive funding, 23 were in Coalition seats: a coincidence, he said.

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