How \$2.8 billion of your money is spent — it grossly favours Coalition seats

Liberal electorates received three times more taxpayer money than Labor-held seats, as a detailed analysis of more than 19,000 grants reveals a highly politicised system rife with uneven spending. See the funding your electorate received.

by <u>Katina Curtis</u> and <u>Shane Wright</u>/ Sydney Morning Herald/The Age **DECEMBER 15, 2021**

(SEE PAGES 7,8 AND 10 FOR COMMENTS FROM EVIDENCE BASED POLICY RESEARCH PROJECT SPOKESPEOPLE)

The multibillion-dollar grants system used by MPs and federal ministers has become so politicised that Coalition-held seats around the country received more than \$1.9 billion over three years while Labor electorates got just under \$530 million.

A special analysis of more than 19,000 individual grants shows huge discrepancies among the nation's 151 electorates, with a boundary line such as a road or a creek separating communities from potentially millions of dollars.



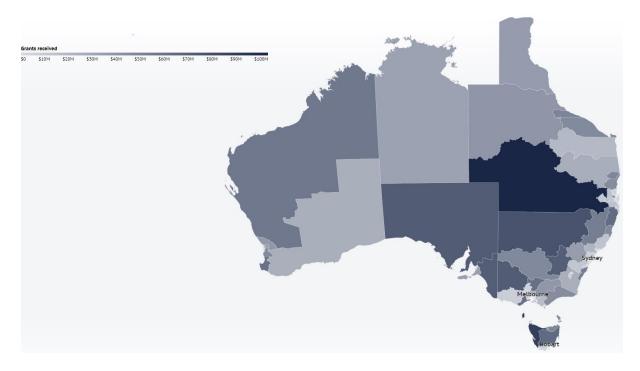


Prime Minister Scott Morrison's home electorate of Cook received \$8.2 million while Opposition Leader Anthony Albanese's electorate of Grayndler received just \$718,000. PHOTO: Jason South & Jamila Toderas

In the case of Labor leader Anthony Albanese, his Sydney electorate of Grayndler received just \$718,000 while the neighbouring, Liberal-held marginal seat of Reid received \$14.8 million. Prime Minister Scott Morrison's home electorate of Cook received \$8.2 million.

In Victoria, former Labor leader Bill Shorten received \$717,000 in assistance for his western Melbourne electorate of Maribyrnong while Liberal-held but marginal seats in the city's east received up to \$20 million in handouts.

From tiny grants for coffee grinders, "insect hotels" and free "trishaw" trips around Bondi to multimillion-dollar swim centres that are still years away from being built, the analysis of grants decided by either local MPs or individual ministers shows huge political discrepancies, which have been labelled a form of "soft" bribes.



Let's have a look at how the grants were spread across particular key electorates.

Sydney and Melbourne

Home to two-in-five voters, **Sydney** and **Melbourne** are key battlegrounds in any election. But depending on where you live in those cities will dictate just how much attention – and money – gets directed your way. A river, a road or the political stripe of your MP could be the difference between a new set of netball courts or a program to remove some weeds from the local creek.

NSW: Grayndler and Reid

Grayndler, held by **Labor leader Anthony Albanese**, received \$718,000 in grants. Across the Iron Cove bridge, neighbouring **Liberal-held Reid**, one of

the most marginal seats in NSW, received almost **\$14.8 million**, including money to a Presbyterian school to create a "breeding pond for native turtles".

NSW: Wentworth and Kingsford Smith

The **Liberal Party** reclaimed **Wentworth** at the 2019 election. The seat, the smallest and wealthiest in the country, has received **\$33.5 million in grants** including \$16,500 for the Eastern Suburbs District Rugby Union Club so patrons could watch live "international sports games and tournaments". The **Labor seat of Kingsford Smith**, which abuts Wentworth, received just **\$4.1 million**.

If we head to **Melbourne**, the Yarra River has become a clear demarcation between the haves and have-nots.

VIC: Fraser and Maribyrnong

Take these two **Labor-held seats** west of the CBD, including the electorate of **former leader Bill Shorten**. They each received **less than \$811,500** in grants. One of the largest handouts in **Maribyrnong** was to repair the St John Ambulance hall in Moonee Valley at a cost of \$22,000.

VIC: Deakin and Aston

Across in the city's east, these **two seats held by ministers Michael Sukkar and Alan Tudge** received a **combined \$21.7 million** in assistance. That includes a \$4 million grant to build two indoor netball courts in **Aston** and \$176,000 to upgrade the 1st Maroondah Scout Hall in **Deakin**. In Tasmania, so much money has been funnelled to the key seat of **Braddon** that it has received \$1108 for every voter in the electorate. By contrast, Labor-held **Franklin** received \$2.8 million, or \$38 per voter.

TAS: Braddon

Taking in Burnie and Devonport, **Braddon** has flipped from Labor to Liberal and back at every election for the past decade and is **currently held by Liberal Gavin Pearce**. It received **\$83.4 million in grants**, the second-highest of any electorate.

TAS: Bass

Won by **Liberal Bridget Archer** at the 2019 election on a tiny 0.4 per cent margin, **\$44.4 million** has flowed into **Bass**, which has also flipped between the major parties. Among its grants was \$10 million to upgrade a local hall and \$20,000 to engage specialist trappers to capture feral and stray cats.

TAS: Lyons

Lyons has been held by **Labor's Brian Mitchell** for two terms but the **Liberals hoped to win it in 2019** until their candidate was disendorsed mid-campaign. It received **\$58.5 million** over the past three years, of which a whopping \$52 million was from a single program entirely under ministerial discretion and designed to deliver election commitments.

TAS: Franklin

Covering Tasmania's south-west corner to the southern and eastern suburbs of Hobart, **Franklin** has been held by **Labor's Julie Collins** since 2007. Over the past three years, she received the least number of grants of any Tasmanian electorate (99) and the lowest by value (\$2.8 million). Collins holds the seat with a 10-point margin.

TAS: Clark

Finally, the metropolitan Hobart seat, where **independent Andrew Wilkie** has had a stronghold since 2010. **Clark received \$12.9 million** in grants. That includes \$11,000 for the purchase of an industrial washing machine and dryer for the Hobart Cat Centre, which looks after lost cats. The data was collated from information published on the Commonwealth's GrantConnect website, which lists every grant given out since December 31, 2017.

The Sydney Morning Herald and The Age examined 19,123 grants across 11 programs worth \$2.8 billion in the 2018-19, 2019-20 and 2020-21 financial years. It covers the May 2019 election.

These account for one in five grants made in that time period. The Commonwealth has hundreds of grants programs, most of which distribute money for the usual business of government. This includes research funding, money for aged care homes and special grants to keep childcare centres afloat during the COVID-19 pandemic. These business-of-government programs are not included in the analysis.

<u>The programs examined by The Sydney Morning Herald and The Age</u> are either those that give a set amount to each electorate (to be allocated by the local MP) or where government ministers decide on the allocation.

These grants do not include programs such as the Coalition's controversial railway station car parks, which were funded in a different manner. It is the first time such data, at an electorate and funding program level, has been available.

The largest number of grants, by value and number, generally flowed to drought-affected and expansive electorates with many small, isolated communities.

Maranoa, which covers much of south-western Queensland and is held by the Nationals' David Littleproud, received a nation-high \$101.7 million as it struggled through years of drought. Other large, drought-affected seats to be supported included Parkes, NSW (\$70 million), Mallee, Vic (\$65.9 million), Grey, SA (\$65.8 million) and Riverina, NSW (\$65.4 million).

But two key marginal seats – Corangamite in Victoria and Braddon in Tasmania – were also among the 10 best-supported electorates in the country, receiving \$55.2 million and \$83.4 million respectively. Corangamite, which Labor's Libby Coker won in 2019 with a 1-point margin, attracted the most promises from major political parties at the last election. Braddon, which Liberal Gavin Pearce holds with a 3.1-point margin, received the second-largest allocation of any seat in the nation.



Prime Minister Scott Morrison visits the Whitehorse Netball Club in the seat of Deakin during the 2019 election campaign. He promised \$1.5 million to upgrade its netball courts, among \$7.7 million the electorate has received in the past three years. PHOTO:Dominic Lorrimer

At the other end, the bottom eight seats were all held by Labor. The ALP accounted for 15 of the 20 least-supported seats, with almost all of them relatively safe.

Across the country, adjoining seats – in many cases with the same socioeconomic background – received dramatically different grant allocations. The NSW Central Coast was a key battleground at the 2019 election when Labor targeted the seat of Robertson, which was held by the Liberal Party on a margin of just 1.1 per cent. It adjoins the Labor-held seat of Dobell, which the ALP's Emma McBride held with a margin of 4.8 per cent.

Dobell has received \$2.7 million in grants. Robertson received \$14.6 million in promises including \$3000 to install a bench seat on Copacabana Beach, which the grant information claims will "promote a sense of community pride".



Robertson received \$3000 to install a bench seat on Copacabana Beach, which is claimed will "promote a sense of community pride". PHOTO: Jacqui Taffel

In Western Australia, the Labor-held seat of Perth received almost \$4.6 million in grants. The adjoining marginal seat of Swan, held by Liberal Steve Irons, received \$48.6 million.

Labor's Anika Wells won the Brisbane seat of Lilley at the 2019 election after the retirement of former treasurer Wayne Swan. Her electorate has received \$932,400 worth of grants over the past three years.

To its north sits the Coalition-held seat of Petrie, which received \$18.3 million. To its south sits the Coalition seat of Bowman, which received \$2.6 million. And to its west sits Brisbane, held by junior minister Trevor Evans, which received \$30.3 million.

In South Australia, the drought-stricken regional seats of Grey and Barker understandably top the list with more than \$64 million apiece.

Among the urban seats, marginal Boothby, held by retiring Liberal MP Nicolle Flint, got \$14.7 million. To its north lies safe Labor seat Hindmarsh, which netted \$4 million and to the south is even safer Kingston, which got \$3.8 million.

Mayo, on Adelaide's outskirts, received \$30.7 million. Half this amount was approved before the 2019 election when the Liberals hoped Georgina Downer could win the seat back from Centre Alliance's Rebekha Sharkie.

The different treatment of neighbouring seats does not just apply to those held by the major parties.

The seat of Warringah, lost by former prime minister Tony Abbott to independent Zali Steggall in 2019, has become a honeypot for assistance. Warringah, home to the fourth most well-off population in the country, received more than \$24 million in grants. Almost 40 per cent of these were approved before the 2019 election.

Two of its neighbouring electorates, safe Liberal-held Bradfield and Mackellar, received less than \$4 million each in taxpayer-funded assistance.

Earlier this year, the left-leaning think tank Per Capita and the right-leaning Institute of Public Affairs reviewed the policymaking process around federal and state government laws introduced over the past year. They found substantial shortcomings across many important pieces of legislation.

But the situation around grants is far worse. Per Capita's executive director Emma Dawson said the figures compiled by *The Sydney Morning Herald* and *The Age* showed just how egregious the discretionary grants system had become.

She said not only was it poor governance, but the channelling of cash into a handful of electorates only made voters angry about the political system. "This is more than blatant pork-barrelling. These are soft bribes. This is a corruption of our democracy," she said.

"It might be great if you're living in an electorate that's getting \$1000 a person in support, but if you're over the road in another seat that's getting nothing, then it just leads to anger and a lack of trust in the entire political system. "This is how you end up in political tribes."

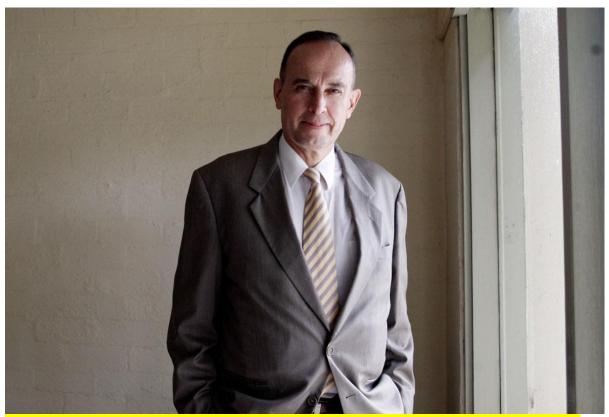
Ms Dawson said more transparency was needed around the allocation of grants and their justification, such as requiring government departments to

produce a statement explaining the rationale and purpose for every grant above a certain threshold.

She said more resources for the Auditor-General's office, more support for other oversight agencies and a stronger Senate estimates process would help reveal the types of details uncovered in this series.

The chairman of the Evidence Based Policy Research Project, former NSW Treasury secretary Percy Allan, said the socio-economic needs of the country were being put aside.

"We now have governments pursuing political cost-benefit analysis, rather than socio-economic cost-benefit analysis," he said.



Former NSW Treasury secretary Percy Allan said the socio-economic needs of the country were being put aside. PHOTO:Louise Kennerley

On November 30, Finance Minister Simon Birmingham used a letter answering questions from his Labor counterpart, Katy Gallagher, to argue the discretion used by ministers is pivotal to the grants system.

"Ministers are often uniquely positioned as grants decision-makers because they often have greater opportunities than officials to consult extensively with community organisations, local businesses and stakeholders," he wrote. "Ministers have a very broad understanding of community needs as they travel extensively around the country and hear frequently from constituents, including from people who are referred by parliamentary colleagues from around the country and on both sides of the aisle."

Australian National University politics professor Ian McAllister, who runs the Australian Election Study on voter attitudes, says politicians believe spending money in their electorates will attract swing voters and shore up their core supporters.

But this belief may be misplaced.

He recently examined the so-called "sports rorts" grants under the \$100 million Community Sport Infrastructure Program and was surprised to find it didn't matter whether the projects were those chosen on merit by bureaucrats or on political grounds by ministers, there was basically no change in votes.

"Voters feel very jaundiced with politicians ... they think this type of activity, pork-barrelling, sports rorts and so on, is just normal, both political parties do it, and they don't take much notice of it," he said.

"Politicians simply overestimate the effect of this. And really, they're underestimating the intelligence of the electorate."

A government spokesman described the examination of the 19,000 grants as a "selective analysis".

"The ANAO [Australian National Audit Office] itself, when it examined the entirety of federal government grants between 31 December 2017 and 30 June 2021, found that almost 60 per cent of grants were focused in health, aged care, Indigenous and disability services," he said.

"It's disappointing this analysis doesn't include grants programs that focus on the provision of social services, which include significant spending across many Labor electorates.

"It's also no surprise that large regional seats, which are predominantly Coalition-held, and that have been severely impacted by drought, would receive significant grants from programs such as the Drought Communities Programme or the Regional Growth Fund."

NSW Premier Dominic Perrottet has pledged to <u>examine the way grants are</u> <u>handed out</u> by his state government. It's a big contrast to his predecessor, Gladys Berejiklian, who said pork-barrelling was "<u>part of the political process</u> <u>whether we like it or not</u>".



NSW Premier Dominic Perrottet has pledged to examine the way grants are handed out by his state government. PHOTO: Janie Barrett

Federally, Labor has promised if it wins government it will ensure faster reporting of when ministers allocate grants against the advice of their departments or in their own electorates.

Professor Allan suggested government grants, like all major investment decisions, should be accompanied by a statement of public interest that would briefly answer six key questions about why the grant was necessary and in the public interest.

"It would also compel public servants and ministers to follow the basic steps of good policymaking before committing millions of dollars to a 'good idea' that is ill-considered and poorly executed," he said.

TOMORROW: The battle for Lindsay, and how the Yarra River divides grant allocation across Melbourne.

Source: https://www.smh.com.au/interactive/2021/electorates-government-grants/index.html

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