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Small Business White Paper

Distributive Politics and Commonwealth Community Grants:
The influence of Federal Elections

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Foreword

Community grants are a vital pillar of public investment, designed to strengthen Australian communities by funding essential programs in childcare, aged care, disaster relief, local development, and more. These grants play a crucial role in ensuring that resources reach those who need them most, fostering economic growth, social cohesion, and resilience. However, as this report highlights, the distribution of these grants has not always been based solely on need or merit. Instead, political considerations have often influenced where and how funds are allocated, raising concerns about fairness, transparency, and accountability in government spending.

The findings of this report shed light on how billions of dollars in community grants have been used across Australia from 2018 to 2024, revealing a pattern of funding that frequently aligns with election cycles. The evidence underscores the need for reform to ensure that taxpayer money serves the public interest rather than political agendas. By bringing these issues to the forefront, this report makes a significant contribution to the ongoing discussion on government accountability and the responsible management of public funds.

We extend our sincere gratitude to the authors of this report for their rigorous research, dedication, and commitment to uncovering the realities behind community grant allocations. This report is the last in a three-part series that focuses on the administration and the efficacy of commonwealth business and community grants. Their work provides invaluable insights that will inform policymakers, watchdog organisations, and the public alike. Their efforts underscore the importance of transparency in governance and the need for continued vigilance in ensuring that government programs operate in the best interests of all Australians.

It is our hope that this report sparks meaningful conversations and drives substantive policy reforms that will restore trust in the grant allocation process. By implementing stronger oversight measures, promoting fair distribution practices, and holding decision-makers accountable, we can ensure that community grants fulfill their intended purpose—empowering and uplifting communities across the nation.

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Executive Summary

This report uncovers how billions of dollars in Commonwealth community grants were distributed across Australia from 2018 to 2024, revealing a strong link between funding and election cycles.

The report examines the extent to which community grants that were awarded were subject to distributive politics or pork barrelling closer to election times. The analysis provides evidence that is consistent with grants being awarded based on political advantage, raising potential concerns regarding fairness in public spending.

Community grants are designed to support a range of vital services, including childcare, aged care, disaster relief, infrastructure, and local development projects. Important policy objectives for democratic governments are to promote social welfare and inclusion, and to stimulate local economies, particularly among marginalised and disadvantaged groups. It is generally assumed that these types of community grants are allocated prudently in pursuit of clear, worthwhile, and achievable socio-economic public policy objectives, rather than being misused or wasted for politically motivated objectives with questionable public benefits. While these funds play a crucial role in strengthening Australian communities and, in many ways, they do provide significant benefits, our findings also suggest that they may be frequently used as political tools to secure votes rather than to provide the greatest benefit to communities in need. Our key findings are as follows:

1. Politics Shape Grant Distribution and Allocation:

- On average, around 10,500 community grants were awarded annually, averaging an annual total value of approximately $4.9 billion; over $49 billion in community grants were allocated between 2018 and early 2025.

- Marginal seats held by the government consistently received a disproportionate share of funding in the lead-up to federal elections.

- Safe seats held by the opposition received fewer grants.

2. Grants Surge Before Elections:

- A significant increase in grant approvals was observed in the 12 months before the 2019 and 2022 federal elections.

- After elections, funding patterns shifted, benefiting non-government-held marginal seats.

3. Lack of Oversight and Accountability:

- Grants with selection processes that included more discretion, showed the strongest correlation with political incentives.

- While Australia has transparency measures in place, such as the Public Governance, Performance, and Accountability (PGPA) Act and Commonwealth Grants Rules, loopholes allow governments to allocate funds with little scrutiny, accountability, and legislative enforcement.

- Audits from the Australian National Audit Office (ANAO) have repeatedly flagged concerns about how grants are administered, but enforcement remains weak.

Why This Matters

Any misuse of community grants erodes public trust in government and creates an uneven playing field where funding is not necessarily allocated based on community need. In a democratic system, public funds should be spent transparently and fairly to support those who need these community grants the most. Instead, this report provides strong evidence that governments have used taxpayer money to strengthen their electoral prospects rather than to improve the lives of Australians.

Community grants should serve the public, not politicians. The findings of this report highlight the urgent need for reform to ensure taxpayer dollars are spent fairly, transparently, and with genuine community benefit in mind. While the findings do not explicitly demonstrate that government funds have been misused, or that programs receiving grants were not worthy of receiving the award, the Australian public deserves confidence that government funding decisions are based on need rather than political convenience.

This report should spark a national conversation on how we can safeguard public funds from political interference and restore trust in government spending. The call for reform is clear: stronger transparency measures, legal safeguards, and independent oversight are essential to ensure that community grants serve their true purpose—helping Australians, not winning elections.

Accordingly, we have prepared three recommendations aimed at ensuring taxpayer dollars are spent fairly, transparently, and with genuine community benefit in mind. These recommendations are summarised as follows:

Recommendation 1

Stronger Transparency Rules and Reporting Requirements, and Fairer Grants Distribution.

To ensure that public money is allocated transparently and fairly, and in a way that benefits the community, strengthening reporting requirements is important, especially for grant funding that involves more discretion in the selection process. In our White Paper reports released in February 2024 and in July 2024, we provided similar recommendations related to discretionary grants, transparency, and the increased use of competitive, merit-based grants. We repeat these recommendations here. Because grants should achieve value for money, be cost effective, and deliver good outcomes and policy objectives, it follows that grant selection processes should be open and competitive or, if not open and competitive, then at least administered fairly, consistently, and transparently. In addition, clear and comprehensive reporting not only fosters accountability but also helps to prevent the misuse of public funds, ensuring these public monies are allocated to the worthiest recipient, rather than on political considerations. Indeed, enhanced transparency and reporting would help identify potential risks and

political influence in grant allocation by ensuring that all decisions are well-documented and publicly accessible. This visibility would make it harder for discretionary grants to be used as tools for securing political advantage, thus protecting the reliability and accountability of the funding process. Accordingly, we summarise our recommendations related to transparency as follows:

- Australia should introduce independent oversight for grant and funding programs to effectively prevent pork barrelling and ensure that public funds are allocated in a transparent, fair, and accountable manner.

- Require clear public explanations for high value grant allocations, especially for non-competitive grants.

- Increase the use of competitive, merit-based grants rather than ministerial discretion.

- Expand the role of independent auditors like the ANAO to investigate funding decisions.

- Publish all grant application evaluations and reasons for approval or rejection.

- Establish an independent panel to oversee major grants and ensure decisions are based on community needs, not political interests.

- Ensure grants that are awarded through discretionary or ad hoc processes (i.e., grants that have no alternative but to be selected on a discretionary or ad hoc process) are suitably open and transparent and are accompanied with appropriate reasoning.

Recommendation 2

Closing Legislative Loopholes and Creating a Legal Definition of Pork Barrelling.

Pork barrelling should be clearly defined in the law to distinguish it from legitimate discretionary spending and to ensure transparency, accountability, and fairness in the allocation of public funds. Pork barrelling is public funding that is typically allocated to projects or constituencies that serve narrow interests and may not provide significant value to the wider population as intended. Defining pork barrelling would provide a legal framework that prevents the misuse of government resources for political gain, safeguarding the interests of the general population. Explicitly defining pork barrelling would help to prevent wasteful or politically motivated funding decisions, and a legal definition of pork barrelling would help differentiate it from legitimate discretionary spending, ensuring that government funds are used for their intended purpose: which is serving the common good. It would also establish clearer guidelines for lawmakers and public officials, reducing the potential for corruption or inefficient allocation of taxpayer dollars. Hence, we summarise our recommendations related to closing legislative loopholes as follows:

- Distinguish pork barrelling from legitimate discretionary spending by clearly defining pork barrelling in law.
- Strengthen the PGPA Act to explicitly ban politically motivated grant allocations.
- Introduce penalties for officials found to be misusing public funds.
- Significantly improve enforcement of penalties for officials found to be misusing public funds.
- Implement independent checks on ministerial decisions regarding grants.

Recommendation 3

Improving Access and Information on Grants Data.

Information currently provided on the Grant-Connect platform includes only headline or summary information on grants, grant programs, and recipients. For competitive grant processes, there is no information on the identities of applicants, the number of applicants, nor the decisive criteria used to separate them. To enhance the transparency of the grant administration process, we recommend disclosure of the identities of all applicants involved in competitive processes, as well as the numbers of applicants—successful and unsuccessful—and the criteria used to separate them. Improving the inclusion of such information will assist in greater scrutiny of the grants selection processes and also enhance scientific analysis and validation of Australian government policies related to grants. To better inform relevant government policy related to grants, we provide a summary of the following recommendations:

- Disclose the identities of all applicants involved in both competitive and non-competitive grants processes, as well as the numbers of applicants—successful and unsuccessful—and the criteria used to separate them.
- Make grants data more accessible and user-friendly so that researchers, the media, watchdogs, and the public can track spending patterns.
- Encourage greater media and community scrutiny of government grant decisions.
- Create a national public grants database that allows real-time tracking of funds.

1. Introduction

1.1. Problem Description and Objective

Some Australian commonwealth community grants programs[1] have come under intense scrutiny in the past two decades and have recently drawn widespread public criticism in the media because of findings made by the Australian National Audit Office (Australian National Audit Office (ANAO), 2021), the Senate Select Committee on the Administration of Sports Grants, and Parliament's Joint Committee on Public Accounts and Audit. Controversy over these community grants has not only revealed transparency and probity issues with these programs[2], but has also highlighted the phenomenon of distributive politics or pork barrelling[3] in Australia and how it manifests in different forms during both federal and state elections. Parliament's Joint Committee on Public Accounts and Audit, which conducted an inquiry in 2022-23 into a range of grants programs administered by the previous Liberal-National "Coalition" Government, found that the award of grants such as the Urban Congestion Fund, the Regional Growth Fund and the Modern Manufacturing Initiative was conducted on a political basis. Both the Senate and Joint Committees accepted the evidence of political bias that was identified by the ANAO.

In the years 2018 to 2024, the Australian Government awarded on average more than 10,500 community grants annually, with an average annual total value of approximately $4.9 billion. Despite the significant number and value of community grants, there is limited empirical evidence surrounding the characteristics of these grants and the community organisations that receive them. It also appears there is little knowledge in the Australian community about how commonwealth grants are being used or deliberation given to the extent to which these grants enhance the government's electoral prospects. While Australian political scientists have examined which electorates receive targeted funding and whether targeted funding swings votes (see Denemark, 2000; Leigh, 2008; Leigh & McAllister, 2023), these studies have examined distributive politics or pork barrelling using only a specific community grant program such as the Community Sport Infrastructure Grant Program after a scandalous event. Specifically, there appears to be limited consideration of how community grants, as a whole, are being distributed by the commonwealth government and the extent to which these community grants are used for partisan political purposes, especially during electoral cycles. This limited knowledge reduces the public's ability to scrutinise and monitor the administration of public funds.

Distributive politics or pork barrelling can be viewed from two perspectives (Golden & Min, 2013): 1) the accountability perspective, and 2) the policy responsiveness perspective. The accountability perspective involves assessing government decisions made in relation to how scarce resources such as taxes and government funding transfers are allocated to goods and services to identifiable localities or groups. The accountability perspective is mainly focused on the ability of voters to hold political representatives accountable for government performance. The policy responsiveness perspective involves examining the welfare and redistributive consequences of patterns of allocations made by elected leaders in response to voter preferences. Rather than examining the electoral returns to politicians based on tax allocations or government performance, the policy responsiveness perspective investigates how these allocations benefit voters.

Given the interrelationship between politics and the provision of government grants, an analysis of how community grants are distributed by governments in Australia, especially during election times, should be of great interest to the voting public. The appropriate allocation of scarce taxpayer resources such as community

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[1] For example, community grant programs that have attracted widespread criticism in the past two decades are the Community Cultural, Recreational and Sporting Facilities Programs in 1989-90 and 1992-93; Roads to Recovery Program in 2000; and Community Sport Infrastructure Grant in 2019. In addition, the Urban Congestion Fund, the Safer Communities Fund, the Building Better Regions Fund; the Community Health and Hospitals programme, have been subject to adverse reports by the ANAO.

[2] Transparency and probity issues in relation to business grants were discussed in Kavourakis, J., Tanewski, G., and Zaman, M. (2022). "Commonwealth Government Grants: 2018 to 2022". The IPA-Deakin SME Research Centre, Deakin University.

[3] Pork-barrelling' is defined as "the allocation of public resources for the purpose of securing political advantage" (Harris, 2023, p.43). The term is used in the United States as a metaphor to describe the distribution of largesse to voters.

grants in the form of infrastructure projects, childcare, or aged care is of paramount importance. It is generally assumed that these types of community grants are allocated prudently in pursuit of clear, worthwhile, and achievable socio-economic public policy objectives, rather than being misused or wasted on politically motivated reasons with questionable public benefits. Accordingly, this White Paper report examines whether the allocation of community grants awarded by the commonwealth government has been subject to distributive politics or pork barrelling closer to election times, primarily focusing on the policy responsiveness and accountability perspectives of distributive politics.

1.2. Purpose and Scope of the Report

The primary objective of this report is to provide a descriptive analysis of commonwealth community grants awarded and derived from the GrantConnect dataset between the years 2018 and 2024. Community grants are a common form of sponsorship that is usually targeted at individuals and not-for-profit community groups and organisations by government departments or agencies. The descriptive analysis in this report includes an outline of the various types and objectives of commonwealth community grants being offered to individuals and not-for-profit community groups and organisations, and a detailed examination of community grant allocations in relation to distributive politics and election outcomes.

This report is the last in a three-part series that has focused on the administration of commonwealth business and community grants. Part I provided a detailed descriptive analysis of business grants with reference to the selection and allocation processes, the value of grants, the government agencies/departments associated with these grants, and characteristics of firms that use these grants. Part II, which was released in July 2024, examined both the productivity and performance of companies that had received commonwealth business grants. Part III, which was released in March 2025, investigates non-business (public good) community grants in Australia.

The structure of Part III is as follows: Section 2 provides background, context, and a worldwide literature review of public grants. Section 3 explains the data, methods, and techniques used in the analyses of the data. Section 4 provides a detailed descriptive analysis, followed by recommendations and conclusions in Sections 5 and 6, respectively.
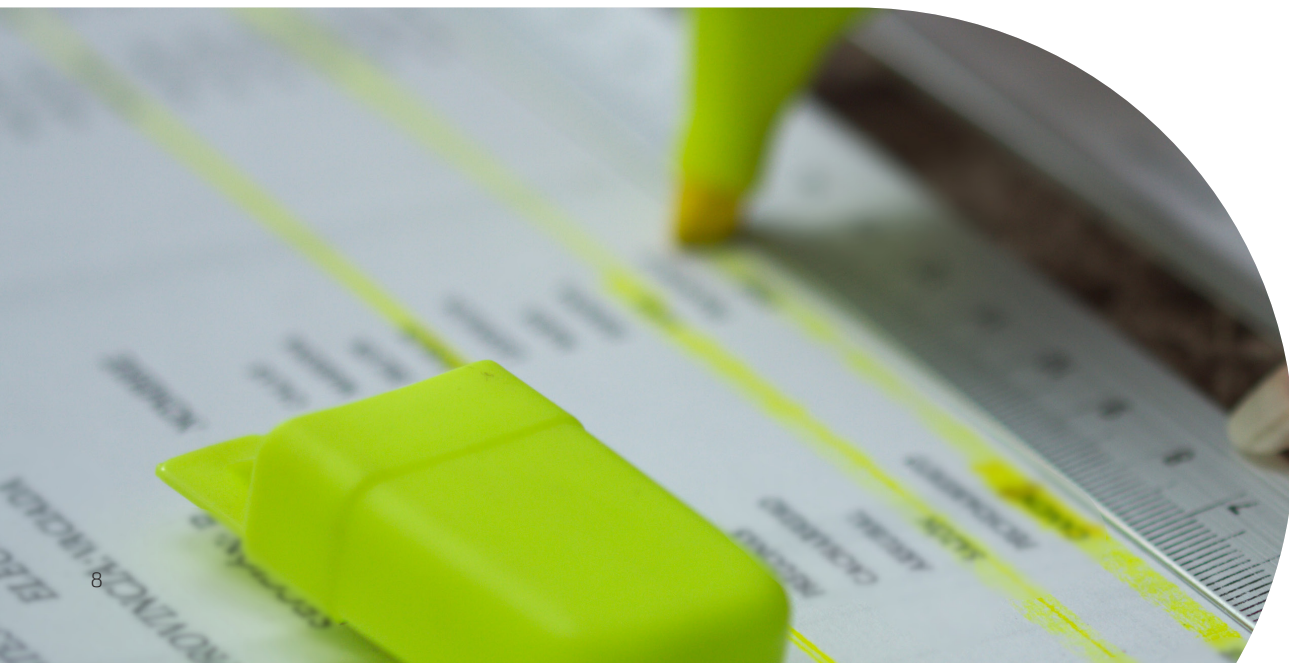
2. Background, Context and Literature Review

2.1. Distributive Politics and Pork Barrelling

This White Paper report discusses community grants and offers a detailed examination of community grant allocations to recipients over time (i.e., between 2018 and 2024), especially during the federal election periods in 2019, 2022, and 2025. To provide some context around community grants in relation to distributive politics or pork barrelling, we first provide a broad explanation and definitions of distributive politics and pork barrelling, respectively. We then synthesise the Australian legislation and the financial control and accountability mechanisms that directly or indirectly regulate distributive politics or pork barrelling, followed by a discussion of the weaknesses and limitations of the legislation and financial control and accountability mechanisms that prevent effective regulation of distributive politics or pork barrelling in Australia.

Distributive politics fundamentally refers to a political strategy or process in which government resources such as funding, grants, or projects are allocated across different regions, constituencies, or groups in a way that benefits specific interests or political actors (Golden & Min, 2013). The goal of distributive politics is often to maximise political support or gain political favouritism with certain groups by providing targeted benefits or services (Stokes et al., 2013). In this system of distributive politics, the allocation of government resources is less about addressing broad, national policy goals or objectives and more about securing political advantages for those in power or seeking re-election (Harris, 2023). Distributive politics typically occurs through the decision-making of elected officials, who may distribute or transfer government funds or resources to their constituencies to gain support, strengthen their political base, or maintain loyalty. It may also involve negotiations or trading support for a piece of legislation where different political actors agree to support each other's projects in exchange for mutual benefits (Golden & Min, 2013).

"Pork barrelling" is a metaphor for a specific form of distributive politics that involves the use of government funds for local projects designed to please voters or constituents in a particular district or region. The term "pork barrel" comes from the New York World, a newspaper published in New York City from 1860 to 1931, in which it depicted in a cartoon in 1917 the practice of storing pork (a valuable resource) in barrels, which politicians would "hand out" to their constituents in exchange for political support (CAGW, 2008). These government funds for local projects are often criticised for being wasteful or inefficient because they may serve limited constituencies and are not necessarily aligned with the broader national interest. Pork barrelling generally involves a targeted allocation of resources to secure electoral support, often at the expense of long-term policy goals or strategic economic planning (Leigh, 2008). Examples of pork barrel spending might include funding local councils to undertake "the construction, upgrade or maintenance of roads" (Leigh, 2008 p. 282), a local bridge, or a "sustainable regions project" which "include creating jobs, attracting new industries, attracting more young people to the area, and boosting tourism" (Leigh, 2008 p. 284) that benefits only a small area but does not serve a wider public need or the broader national interest.

While distributive politics and pork barrelling are closely related, they are not identical (Golden & Min, 2013). Both distributive politics and pork barrelling involve the allocation of government resources in a way that benefits specific groups or regions, but they differ in scope and intent. For example, distributive politics is a broader concept that encompasses the general allocation of resources to various groups, regions, or constituencies to gain political support (Dahlberg & Johansson, 2002; Dall'erba, 2005). It can be a legitimate part of the democratic process, as long as the resources are used in such a manner that addresses a broader public need or specific policy goals. Pork barrelling, in contrast, is a more specific, often pejorative term used to describe the distribution of government resources for local projects that may have limited utility or long-term benefits, serving only the political interests of the actors involved. It is frequently associated with wasteful spending or opportunistic political manoeuvring. In

short, pork barrelling is a subset of distributive politics, but with a focus on politically motivated, often wasteful, local spending aimed at gaining short-term electoral advantage (see Denmark, 2000; Leigh, 2008; Stokes et al., 2013).

Because distributive politics involves allocations or distributions of government goods and services across different regions, constituencies, or groups in a way that benefits specific interests or political actors (Golden & Min, 2013), this report defines pork barrelling specifically as "the practice of allocating scarce public resources such as community grants and targeting these community grants to particular districts in the form of expenditures based on political considerations for the purpose of securing political advantage" (Connolly, 2020; Harris, 2023; Leigh & McAllister, 2023).

2.2. A Brief Review of Swing and Core Voter Theories

Political parties may adopt different strategies to secure electoral success when utilising distributive politics or pork barrelling. These different distributive politics or pork barrelling strategies to secure electoral success can be explained by swing voter and core voter theories. Voters who are undecided about a candidate (political party) in a marginal or competitive electorate are referred to as swing voters. Because these swing voters live in a marginal or competitive electorate, political parties assume these voters are more likely to change their voting behaviour based on tangible benefits or resources delivered to their electorate. To maximise the political party's overall electoral chances, they will allocate resources to these marginal or competitive areas, to influence voters' preferences whose support could be pivotal to winning elections. Although targeting swing voters might not always be effective, empirical evidence generally supports swing voter theory, showing that governments often prioritise funding and projects for swing regions. For example, Dahlberg and Johansson (2002) demonstrated, in their study on Swedish municipalities, that more grants were allocated to politically competitive areas. Similarly, studies in the U.S. (e.g., Wright, 1974) highlight that federal funds are

disproportionately directed toward battleground states during presidential elections. However, in a study of the 2018-2019 Australian sports grants scandal, Leigh and McAllister (Leigh & McAllister, 2023) found no electoral impact of the sports grants on either swing or core voters, despite local funding allocations for sports infrastructure being directed disproportionately to win marginal electorates and to reward loyal supporters. Stokes (2005) emphasises the role of voter trust, noting that excessive focus on swing voters may alienate core supporters, potentially backfiring during tight races.

In contrast, the focus of core voter theory is on a political party's loyal base of supporters. This theory assumes that core voters are more likely to remain supportive when they perceive tangible benefits from the political party that is in power. The strategy utilised is that resources are directed to regions with strong party support to reward loyalty, to ensure high voter turnout, and to strengthen the party's base, with the primary objective of solidifying and mobilizing the party's existing support network to maintain power. Real-world political party behaviour, however, will often involve a mix of both strategies, depending on factors such as electoral systems, resource availability, and the specific political context. Empirical evidence for core voter theory also generally supports the relevance of the explanation that governments direct resources toward loyal supporters to solidify their base. For example, Golden and Picci (2008) found that infrastructure projects in Italy were more likely to benefit regions with strong historical support for the ruling party. Similarly, research in developing democracies, such as Khemani (2007) in India, highlights the tendency of governments to favour their political strongholds with subsidies and development funds. Dixit and Londregan (1996) highlight that a shortcoming of core voter theory is that, while it fosters loyalty, it may not expand the party's appeal to undecided voters. They argue that use of such a strategy may be suboptimal in highly competitive political environments where swing voters hold significant influence.

While both swing and core voter theories have empirical support for their explanations, their applicability often depends on context and governments often tend

to blend the two strategies, targeting swing voters to expand influence while ensuring resource delivery to core supporters to secure their base. Competitive electoral systems tend to be dominated by the swing voter theory explanation, as seen in studies of the U.S. (e.g., Lindbeck & Weibull, 1987) and other majoritarian systems (e.g., S. Stokes et al., 2005), whereas in electoral systems with proportional representation (e.g., Denemark, 2020) or in electoral environments with lower competition (e.g., Cox, 2010; Dixit & Londregan, 1996), core voter theory appears more relevant, reflecting the political party's emphasis on loyalty and turnout.

2.3. Distributive Politics/Pork Barrelling and the Regulatory System

Pork barrelling is not explicitly legislated against in Australia (see Connolly, 2020; Harris, 2023 for detailed reviews of the Australian legislation). However, a range of regulatory frameworks indirectly address distributive politics or pork barrelling by ensuring transparency, accountability, and the proper use of public funds. If pork barrelling leads to misuse or misallocation of government resources, it may fall under scrutiny by bodies such as the ANAO, parliamentary committees, or integrity commissions (Harris, 2023). The overall goal is to ensure that taxpayer money is spent in a way that benefits the public rather than serving narrow political interests. Accordingly, we provide an outline of the key elements of Australian legislation and principles that relate to pork barrelling.

The commonwealth government's financial control and expenditure of public funds is primarily regulated by the Public Governance, Performance and Accountability Act 2013 (Cth) (PGPA Act) and the Commonwealth Grants Rules and Guidelines 2017 (Cth) (CCRGs) (Department of Finance, 2017). The PGPA Act governs the financial management of Australian government entities and requires them to manage public resources in an accountable and transparent manner. It places obligations on all government officials to ensure that funding decisions are made on merit and that these decisions are aligned with broader national public policy priorities, rather than for political gain. The PGPA

Act and the CCRGs also regulate distributive politics or pork barrelling. Indeed, pork barrelling practices may be directly scrutinised under the PGPA Act legislation if they appear to be contrary to the principles of accountability and value for money. For example, in Division 9 of the PGPA Act, which applies to Ministers only, Section 71 forbids a minister from making an expenditure unless they are satisfied that the expenditure is a proper use of public resources, whereas Section 69 allows a government to impose liability on a minister to compensate the government for any losses it has suffered due to the minister's misconduct (Harris, 2023 p. 57).

While the PGPA Act determines the duties and obligations of government officials in relation to public resource management, the 2017 CCRGs establish the principles and framework for effective transparency and accountability. The CGRGs state that their purpose is to promote proper use of public resources and, hence, grants should be allocated on a competitive, merit-based process based on defined criteria. If such a process is not used, written reasons should be documented for not using a competitive merit-based process (Section 105C(1), PGPA Act 2013).

The Commonwealth Electoral Act 1918 does not specifically address pork barrelling, but the Act does regulate campaign finance and electoral practices, ensuring fairness and transparency in how public resources are used in the context of elections. Allegations of pork barrelling can sometimes be directly related to misuse of public funds to influence electoral outcomes, and violations of the Electoral Act, such as the improper use of government monies for political gain, may lead to legal challenges. Pork barrelling can often intersect with issues related to political donations and lobbying. The Commonwealth Electoral Act and various state laws regulate the disclosure of political donations, and lobbying laws require transparency in how government decisions are influenced. There have been instances where pork barrelling projects have been scrutinised for being tied to electoral donations, lobbying efforts,

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4 *Obeid v R [2017] NSWCCA 221, [60]. See also Obeid v R (2015) 91 NSWLR 226, [136] and [139] and Maitland v R; Macdonald v R (2019) 99 NSWLR 376, [67].*

or political favouritism such as in the NSW Court of Criminal Appeal in 2017 in Obeid v R[4].

The ANAO conducts audits on government programs and spending. If pork barrelling occurs and results in public funds being misallocated or misused, such as in the 2018-2019 sports grants scandal, the ANAO may review the decision-making process and outcomes. The ANAO's audits are aimed at ensuring that funds are spent efficiently and for their intended purposes, offering a form of oversight on pork barrelling activities. The Australian Public Service Code of Conduct, as outlined in the Public Service Act 1999, may address pork barrelling because it requires public servants to act impartially and not to allow political considerations to influence the allocation of public resources. If pork barrelling involves the direct involvement of public servants in inappropriate ways, it may be a violation of this code. Senate committees and parliamentary scrutiny, such as the Senate Finance and Public Administration Committee, may investigate pork barrelling allegations and review government spending decisions. These committees bring transparency to public spending decisions, particularly if the funding is perceived to be influenced by political motives rather than merit.

Similar to the commonwealth guidelines in the CGRGs, state governments in Australia also have financial management and electoral legislation that may address pork barrelling. State audit offices such as the New South Wales Audit Office play a role in ensuring that government funds are spent properly. Some state parliaments have introduced more stringent transparency laws requiring public disclosure of the rationale behind funding decisions and the Freedom of Information Act 1982 allows for greater transparency of government decision-making. If pork barrelling is suspected, the public and media can request documents related to government spending decisions. This can sometimes shed light on whether funds are being allocated fairly or for political reasons. In the broader context of ethical conduct, allegations of pork barrelling may also involve concerns about corruption or unethical behaviour. The recently established independent National Anti-Corruption Commission (NACC), which operates under the National Anti-Corruption Commission Act 2022, and

other anti-corruption bodies, may investigate whether pork barrelling constitutes improper conduct, especially if there is evidence of bribery or other forms of undue influence.

2.4. Review of Australian Commonwealth Government Community Grants

Our review focuses on community grants that deliver public support or public sponsorship to organisations, community groups, and individuals, providing them with a range of non-reciprocal grants or other forms of external funding[5]. Governments use community grants to address and improve the social and economic well-being of individuals, families, and vulnerable members of the Australian community by supporting community-based projects, initiatives, or services that benefit the public. In other words, the government's policy on community grants is typically structured around ensuring that public funding is used effectively to support projects and initiatives that enhance social, cultural, economic, and environmental outcomes for Australian communities. Hence, grants are typically designed to achieve specific socio-economic outcomes that align with broader government policy objectives, such as social inclusion programs that support disadvantaged or vulnerable communities, local development programs that improve local infrastructure or community facilities, cultural and arts development programs that support local arts, culture, and heritage projects, environmental sustainability programs that fund environmental or conservation initiatives, and health and well-being programs that promote improvement in community health and well-being. Overall, the government's policy aims to empower local organisations and communities to create positive, lasting impacts by providing them with the financial resources they need to develop and implement meaningful projects that address local issues and improve community well-being.

Community grants are provided by various government departments (e.g., Department of Agriculture, Fisheries and Forestry; Department of Climate Change,

Energy, the Environment and Water; Department of Education), agencies (e.g., National Indigenous Australians Agency; National Emergency Management Agency; National Mental Health Commission), or programs (e.g., Strong Communities Program; Communities Environment Program; Justice Reinvestment) and are typically allocated to supporting activities such as promoting stronger social cohesion among Australian communities; enhancing participation in community activities; fostering inclusion, accessibility, and equality; supporting local development and capacity-building; addressing specific community challenges such as health, education, or social services; and contributing to the overall improvement of local infrastructure or environment. Each grant program has its own application process, funding amounts, and timelines.

Similar to business grants[6], community grants are not all subject to the same selection processes, although many community grants follow a competitive, merit-based approach. The selection process for community grants can vary depending on the specific grant program, the purpose of the grant, and the administering government department or agency. For example, competitive merit-based selection processes are open to all eligible applicants, and the allocation process involves assessment against established criteria, whereas non-competitive selection processes target or invite applicants from specific community groups or organisations to apply for a grant. Open competitive grant rounds have open and closing dates for applications, and applicants are assessed against set selection criteria, whereas targeted or restricted competitive grants are open to a limited number of potential grant recipients and are usually advertised in the media. Targeted or restricted competitive grants also have open and closing dates for applications, and applicants are assessed against set selection criteria. In addition to the above-mentioned selection processes, community grants can be awarded on a "first-come, first served", "rolling or open-ended grant", or "partnership or co-funding" allocation processes. A "first-come, first served" process is where the order in which applications are received becomes the basis on which applicants meet the necessary eligibility criteria to be awarded a grant.

This is typically used for small-scale funding programs with less stringent application requirements. A "rolling or open-ended grant" process is where applications are accepted at any time during the year, and funding is awarded until the budget is exhausted. Applications are assessed periodically, and awards are made on a rolling basis. A "partnership or co-funding" allocation process is used when grants are awarded to projects that involve multiple stakeholders working together. The government matches or supplements funding from other sources (e.g., private companies, local governments, or other organisations) to leverage additional resources and expertise. The selection process may involve assessing the strength of the proposed partnerships and the sustainability of the project.

In summary, community grants are used in a variety of ways to support diverse projects and initiatives that directly benefit local communities. These grants help address local needs, promote social inclusion, support economic and infrastructure development, and contribute to overall community well-being. The funds enable local organisations, governments, and groups to act on pressing issues, build community resilience, and create lasting positive change.

2.5. A Review of the Efficacy and Objectives of Community Grants

Community grants are designed to support various Australian community initiatives aimed at promoting social welfare and cultural enrichment, enhancing local development, and improving environmental sustainability. These grants are distributed by various government departments and agencies at both federal and state levels, and they are meant to be aligned

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[5] *More specific information on grants can be found on the commonwealth government's community grants website "The Community Grants Hub" https://www.communitygrants.gov.au/ The Hub delivers grant administration services on behalf of Australian Government client agencies to support their policy outcomes. Client agencies are responsible for grant policy and the development of grant programs, while the Hub is responsible for administering grant programs consistent with the requirements of the Commonwealth Grants Rules and Principles 2024.*

[6] *See Section 2.1. Background and context, page 10 in Kavourakis, J., Tanewski, G., and Zaman, M. (2022). "Commonwealth Government Grants: 2018 to 2022". The IPA-Deakin SME Research Centre, Deakin University.*

with broader policy and strategic objectives such as social inclusion, economic development, and equity. However, the efficacy of community grants achieving these policy objectives has been the subject of much academic scrutiny, with the extant academic literature evaluating both the outcomes and the mechanisms underpinning their implementation.

One important objective for governments, especially in social-democratic systems, is to promote social welfare and inclusion. Several studies have examined whether government policy objectives are aligned with social welfare and inclusion (e.g., Bardhan & Mookherjee, 2000; Grossman & Helpman, 1996), particularly among marginalised and disadvantaged groups. Mendes et al. (2022) found that community grants play a significant role in reducing social exclusion by supporting projects that improve access to essential services, such as healthcare and education, especially in remote and low-income communities. However, Piza et al. (2016) suggested that the targeting of these community grants can be inconsistent, with some communities lacking adequate access to funding opportunities. In terms of economic objectives, community grants are often seen as tools or mechanisms for stimulating local economies. Harris (2023) found that community grants had contributed to local job creation and the development of small businesses, especially in rural areas. However, some research points out the limited long-term economic impact due to short-term funding cycles and the lack of follow-up support (Basel Committee on Banking Supervision, 2010). This suggests that while grants can provide an immediate boost, their long-term sustainability is uncertain. Environmental sustainability and cultural enrichment are also central to the policy goals associated with community grants. Researchers such as Quinn et al. (2021) have shown that these grants have helped fund significant environmental projects and fostered cultural exchanges. However, the scalability and long-term impact of these initiatives remain contested, with concerns about the effectiveness of one-time grants in addressing large-scale, systemic environmental issues (Mair & Smith, 2021).

The efficacy of community grants has been widely debated, with access to funding often cited as a key barrier. Studies, such as those by Fairlie et al. (2022), indicate that the application process for grants can be complex and burdensome, which discourages smaller, grassroots organisations from applying. Furthermore, regional disparities in the distribution of funds have been noted, with urban areas often receiving a disproportionate share of the total funding (Capello & Cerisola, 2021). The effectiveness of the grants is also influenced by the level of oversight and accountability in their distribution. Research by Parker et al. (2023) suggests that while transparency mechanisms are in place, some departments face challenges in ensuring that funds are used efficiently and for their intended purposes. The limited evaluation frameworks also make it difficult to measure the long-term success of funded projects. Another challenge identified in the literature is the difficulty of measuring the impact of community grants. According to a report by the ANAO (2021), there is often a lack of standardised performance indicators, making it difficult to assess whether grants have achieved the desired social, economic, or environmental outcomes. Some scholars argue that without robust evaluation methods, it is impossible to determine the true efficacy of these grants (Toner et al., 2023).

The literature reveals mixed results regarding the ability of community grants to meet government policy objectives and their overall efficacy. While grants have contributed to positive outcomes in areas such as social inclusion, economic development, and cultural enrichment, issues such as inconsistent access, limited long-term impact, and inadequate impact measurement undermine their effectiveness. To improve the efficacy of these grants, scholars suggest reforms such as simplifying the application process, enhancing oversight mechanisms, and developing more comprehensive impact evaluation frameworks.

3. Data and Methods

The commonwealth community grants data were initially retrieved from GrantConnect—a centralised online platform that provides information on current Australian grant opportunities—in November 2022 and were updated in mid-January 2025 with commonwealth community grants awarded from the beginning of 2023 up to 17 January 2025. The retrieved community grants data provided information on the types of grants awarded, the socio-economic categories of the grants (i.e., Child Care, Aged Care, Community Development), purpose (objective) of grants, and other details including recipients' names, ABNs and postcodes, value of grants, variations to grants, and start and end dates of grants.

The primary community grants data was then merged with election data retrieved from the Australian Electoral Commission (AEC) website[7]. The election data utilised in this White Paper included (a) the successful party for each electoral division in Australia; (b) total enrolments for each electoral division; and (c) the margin for the two candidates preferred in each electoral division. The socio-economic data used in our regression models were retrieved from the Australian Bureau of Statistics (ABS). The ABS has created several socio-economic indices that rank different areas in Australia according to their relative socio-economic advantage and disadvantage. The indices, called the Socio-Economic Indexes for Areas (SEIFA), combine census data such as income, education, employment, occupation, housing, and family structure to summarise the socio-economic characteristics of an area. SEIFA is a collection of four indices, each summarising a different aspect of the socio-economic conditions in an area using different census data. The four indices that make up SEIFA are as follows:

- The Index of Relative Socio-economic Advantage and Disadvantage (IRSAD) focuses on both advantage and disadvantage.
- The Index of Relative Socio-economic Disadvantage (IRSD) focuses on relative socio-economic disadvantage.
- The Index of Education and Occupation (IEO) focuses on relative Education and Occupation advantage and disadvantage.
- The Index of Economic Resources (IER) focuses on Economic advantage and disadvantage.

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[7] https://www.aec.gov.au/profiles/

4. Descriptive Analysis of Community Grants

The commonwealth community grants data that were analysed covered the period from 1 January 2018 to 17 January 2025. On average, 19,094 community grants were awarded each year over all socio-economic categories, with approximately $6.17 billion worth of community grants awarded annually, totalling $40.39 billion over the 7-year period that we examined (see Table 4.1).

Table 4.1. Number and Value of Community Grants by Year

Year	Number of Grants	Total Grant Value	Average Grant Value
2018	11,378	$3,800,000,000	$333,610
2019	14,363	$3,510,000,000	$244,361
2020	29,145	$4,580,000,000	$157,055
2021	24,034	$9,730,000,000	$404,981
2022	17,776	$8,700,000,000	$489,325
2023	32,792	$9,300,000,000	$283,691
2024	22,924	$9,720,000,000	$424,071
2025	341	$46,200,000	$135,367
Total	**152,753**	**$49,386,200,000**	

Information on community grants was obtained from the GrantConnect dataset based on the recipient's name. Because one of the objectives of the study was to examine community grants, as opposed to business grants, and because community grants are usually targeted at not-for-profit organisations, community groups, and individuals, our analysis filtered out grants that were awarded to private limited companies, non-limited companies and trustee companies. We removed these companies from our main analysis[8] to primarily focus on the socio-economic wellbeing and public good perspective of community grants, which comprised approximately 105 socio-economic category groups (e.g., aged care; disaster relief; indigenous arts and culture) in the GrantConnect dataset (see Appendix A, which provides an outline of 109 socio-economic category groups, including business groups).

Community grants are typically allocated to supporting government policies and activities related to promoting stronger social cohesion; enhancing participation in community activities; fostering inclusion, accessibility, and equality; supporting local development and capacity-building; addressing specific community challenges such as health, education, or social services; and contributing to the overall improvement of local infrastructure or environment. Figure 4.1 shows that, out of the total number of community grants that were offered to recipients annually, the most commonly awarded community grants were related to Aged Care (16.52%), totalling approximately $420 million in value per year with grant recipients receiving on average $116,655 per grant, followed by Child Care grants (13.22%), totalling $106 million in value per year with each grant averaging $42,078, Disaster Relief (10.33%), totalling around $181 million in value and averaging $57,330 per grant, Philanthropy, Voluntarism and Not-for-Profits Infrastructure (10.08%), totalling $10.1 million in value and averaging $3,279 per grant, and Community Development (8.96%), totalling $54.4 million in value and averaging $27,823 per grant.

Figure 4.1. Distribution of Community Grants by Socio-economic Category

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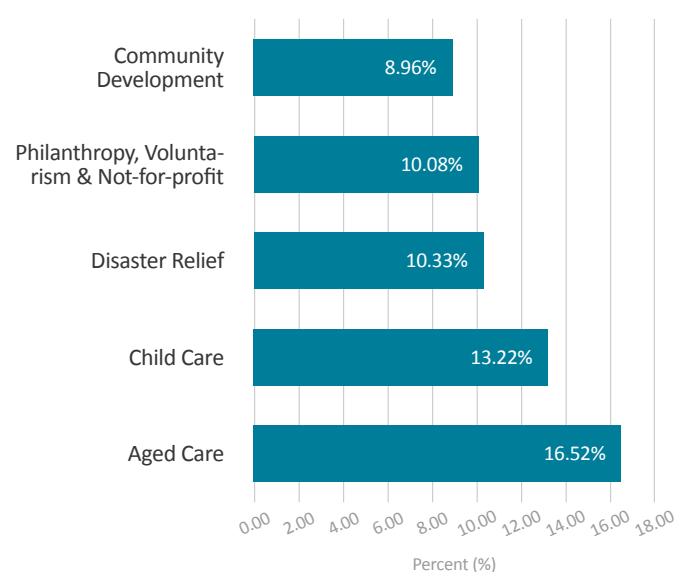
[8] Some of our analyses reported includes business grants.

Table 4.2, which provides a breakdown of community grants by state, shows that the distribution of grant recipients appears to be representative of the Australian population. As expected, most community grant recipients resided in NSW (30.59%) receiving a total of $15.2 billion over the seven period and comprising the highest total value of grants, followed by Victoria (26.67%) totalling $12.2 billion, Queensland (18.75%) totalling $12.2 billion, Western Australia (10.98%) totalling $6.43 billion, South Australia (7.09%) totalling $3.46 billion, and Tasmania (2.87%) totalling $1.4 billion. Of the two territories, the ACT received 3.07 percent of the total portion of community grants (totalling $1.69 billion), while the Northern Territory received 0.01 percent of the total portion of community grants (totalling $2.95 million).

We then examined the selection processes that were used to scrutinise community grants. Our analyses demonstrate that most community grants were generally subjected to a demand-driven selection process. Demand-driven grants were provided to applicants that satisfied stated eligibility criteria, and these types of grants were awarded to more than 31 percent of the total number of community grant recipients. The total value of demand-driven grants was $2.35 billion per year, with an average annual value per grant of $303,674. Approximately 21 percent of community

grants were provided on a closed non-competitive basis, that is, the selection process only offered grants to targeted organisations, community groups, and individuals who were invited to submit grant proposals. Such proposals were then individually assessed against set criteria, but not necessarily against other grant submissions. The total value of closed non-competitive community grants was $2.62 billion per year, with organisations, community groups, or individuals receiving on average grants that were valued at $548,993 per grant. Ad hoc (or one-off discretionary) grants, which were usually determined by ministerial decisions and were provided to recipients to meet a specific need, often due to an urgent matter or other circumstances, were awarded to nearly 15 percent of the total number of community grant applications. Ad hoc or discretionary grants had a total value of $633 million per year or average value of $634,866 per grant. Open-competitive or merit-based grants, that is, those grants that any organisation, community group, and individual could apply for as long as they met the eligibility criteria, were awarded to 14.17 percent of the total number of grant applications. The total value of open-competitive grants was $1.49 billion per year, averaging $521,633 in value per grant. Targeted or restricted competitive selection processes for awarding community grants accounted for nearly 11 percent of the total number of

Table 4.2. Number and Value of Community Grants by State

State	Value of grants	Mean	Freq	% $ value	% no. grants
NSW	$15,200,000,000	$325,105	46,731	30.72	30.59
VIC	$12,200,000,000	$299,313	40,732	24.66	26.67
QLD	$9,000,000,000	$317,725	28,621	18.37	18.74
WA	$6,430,000,000	$383,515	16,768	13.00	10.98
SA	$3,460,000,000	$320,075	10,825	6.99	7.09
ACT	$1,690,000,000	$341,642	4,686	3.42	3.07
TAS	$1,400,000,000	$321,313	4,381	2.85	2.87
NT	$2,955,070	$369,384	8	0.01	0.01
Total	**$49,380,000,000**[1]		**152,753**	**100.00**	**100.00**

[1] *Excludes grants awarded in 2025*

grants awarded, with a total value of $1.54 billion per year with an average value of $741,098 per grant. Open non-competitive grants, where applicants could submit a grant proposal over the life of the grant opportunity, were assessed individually against set selection criteria and were awarded to approximately eight percent of the total number of community grant recipients. The total value of open non-competitive community grants was approximately $201 million per year, with an average annual value of $241,119 per grant. Table 4.3 below depicts the total and average values (over seven years) of community grants by selection process.

Table 4.3. Number and Value of Community Grants by Selection Process

Selection Process	Value of grants	Mean	Std Dev	Freq	% $ value	% no. grants
Demand Driven	$15,100,000,000	$314,737	$9,831,598	48,023	30.59	31.44
Closed Non-Competitive	$12,100,000,000	$376,866	$7,016,115	32,133	24.51	21.04
Ad hoc	$2,890,000,000	$127,388	$6,967,922	22,707	5.85	14.87
Open Competitive	$7,690,000,000	$355,352	$2,084,666	21,641	15.58	14.17
Targeted or Restricted Competitive	$10,300,000,000	$623,994	$1,522,704	16,483	20.86	10.79
Open Non-competitive	$1,290,000,000	$109,834	$578,569	11,766	2.61	7.70
Total	**$49,370,000,000**[1]			**152,753**	**100.00**	**100.00**

[1] Excludes grants awarded in 2025

5. Community Grants, Political Parties, and Electoral Seats - Grant Level Data

In this section, we examine the distribution of community grants by the number and the concomitant total value of community grants over a 12-month period before and up to the 2019 and 2022 federal elections. We undertook this analysis by political party and electoral seat status and assessed whether there were any discernible associations (or patterns) between community grant numbers (and the total value of the grants) and political party and electoral seat status. We measured electoral seat status by following the Australian Electoral Commission's (AEC) identification of electorates in the following manner: a marginal electorate was a constituency which had less than a six percent margin in the two-party preferred vote; a fairly safe electorate was a constituency that had between six and less than ten percent margin in the two-party preferred vote; and

a safe electorate was a constituency that had more than a ten percent margin in the two-party preferred vote[9]. "Political party" was identified and checked against the AEC's list of 151 seat (electoral division) margins by state and political party incumbency.

Figure 5.1 provides an overview of all community grants received in the electorate held by a political party and the party's electoral seat status. During the 2019 federal election the Coalition received the highest number (446) or proportion (43.09%) of all community grants in marginal seats, and the highest number (560) or proportion (53.79%) of all community grants in fairly safe seats. The total value of the community grants received by the Coalition in marginal seats was more than $211 million, whereas in fairly safe seats the Coalition received a total value amounting to $90.5 million.

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[9] See Australian Electoral Commission (AEC), 2025. National seat status fact sheet: 2025 federal election. https://www.aec.gov.au/media/files/Seat-status-fact-sheet-2025-federal-election.pdf

Figure 5.1. Distribution of Community Grants by Political Party and Electoral Seat Status in 2019 and 2022
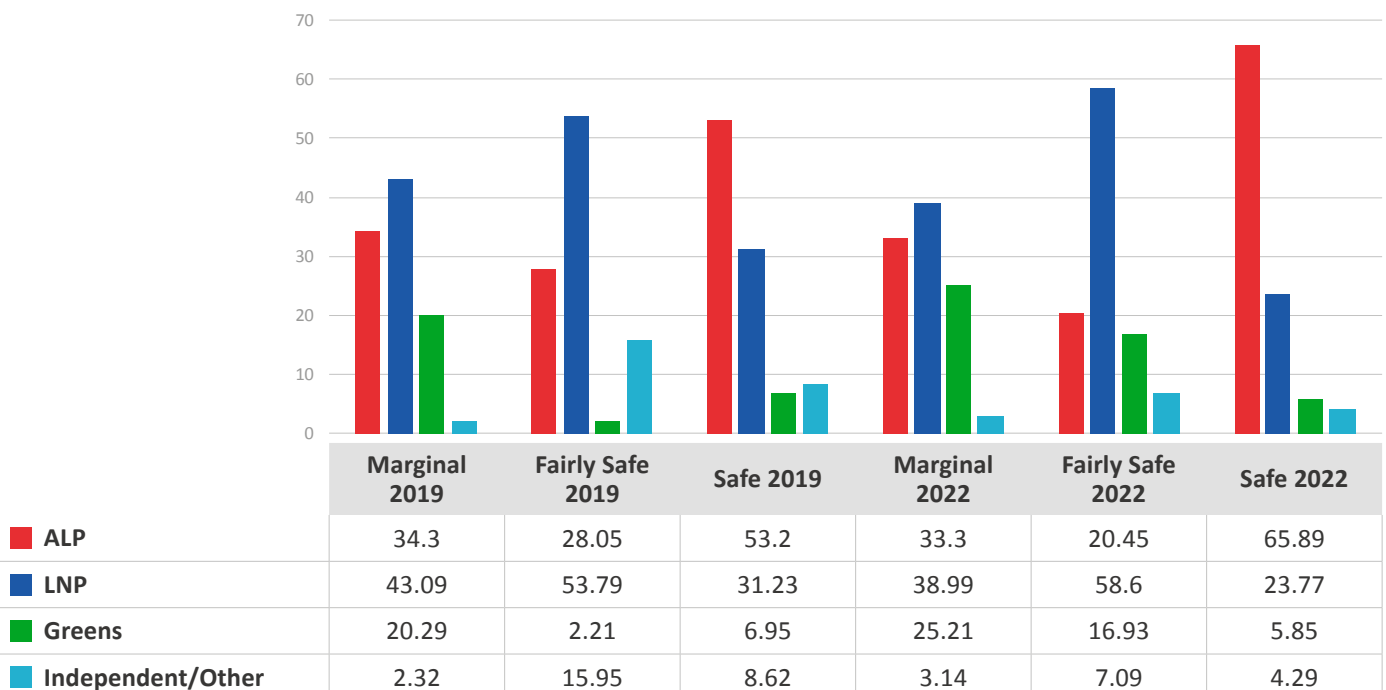
	Marginal 2019	Fairly Safe 2019	Safe 2019	Marginal 2022	Fairly Safe 2022	Safe 2022
ALP	34.3	28.05	53.2	33.3	20.45	65.89
LNP	43.09	53.79	31.23	38.99	58.6	23.77
Greens	20.29	2.21	6.95	25.21	16.93	5.85
Independent/Other	2.32	15.95	8.62	3.14	7.09	4.29

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The Australian Labor Party (ALP), however, received the highest number (2,894) or proportion (53.20%) of all community grants in safe seats, receiving a total value of $1.3 billion. Similarly, during the 2022 federal election the Coalition received 1,027 or 38.99 percent of all community grants in marginal seats, receiving a total value of $120 million, and 957 grants or 58.60 percent of all community grants in fairly safe seats, amounting to a total value of $144 million. The ALP received 8,249 or 65.89 percent of all community grants in safe seats, amounting to a total value of $1.99 billion. However, during the 2022 election the ALP received 877 or 33.3 percent of all community grants in marginal seats, with a total value of $322 million (more than twice the value of community grants that were associated with the Coalition). Interestingly, unlike the Coalition and the ALP who have representation in most metropolitan and non-metropolitan electorates, the Greens who are mostly represented in metropolitan seats received a relatively high proportion of community grants in marginal electorates (20.29% and 25.21%, respectively) during the 2019 and 2022 federal elections. Indeed,

the total value of grants associated with the Greens in marginal seats was $90.5 million in 2019, increasing nearly eightfold to $717 million in 2022.

In Section 4, we outlined that community grants were typically allocated to supporting government policies and activities related to promoting stronger social cohesion; enhancing participation in community activities; fostering inclusion, accessibility, and equality; supporting local development and capacity-building; addressing specific community challenges such as health, education, or social services; and contributing to the overall improvement of local infrastructure or environment. While most community grants were generally subjected to a demand-driven selection process (31.44%), approximately 15 percent of all community grants were awarded to recipients on an ad hoc (one-off or discretionary) basis. Because these ad hoc grants are usually determined by ministerial decisions, we analysed the distribution of community grants that were awarded to recipients on an ad hoc basis by political party and electoral seat status. Figure 5.2 outlines community grants awarded to recipients

Figure 5.2. Distribution of Community Grants Awarded on an Ad Hoc Basis by Political Party and Electoral Seat Status in 2019 and 2022

	Marginal 2019	Fairly Safe 2019	Safe 2019	Marginal 2022	Fairly Safe 2022	Safe 2022
ALP	20.38	24.67	60.56	26.44	11.48	60.88
LNP	49.68	28.67	25.56	34.48	39.34	19.39
Greens	29.3	5.33	3.47	33.33	8.2	6.46
Independent/Other	0.64	41.33	10.42	5.75	40.98	13.27
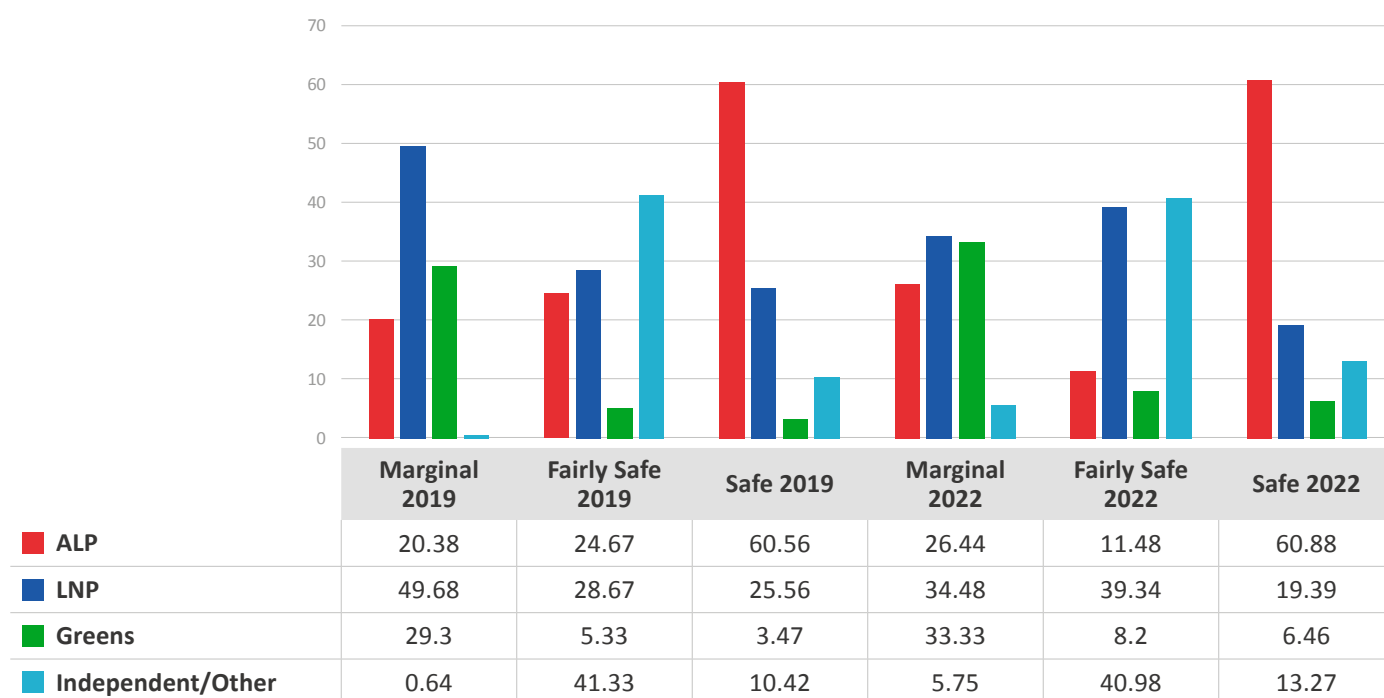
on an ad hoc selection basis that were associated with a particular political party and electoral seat status. During the 2019 federal election, the Coalition received the highest number (78) or proportion (49.68 %) of all community grants in marginal seats and 43 or 28.67 percent of all community grants in fairly safe seats. The total value of the community grants that were received in marginal seats was more than $7.95 million, whereas in fairly safe seats the total value amounted to $2.45 million. The ALP, however, received the highest number (436) or proportion (60.56%) of all community grants in safe seats, with a total value of $258 million. Similarly, during the 2022 federal election, the Coalition received 30 or 34.48 percent of all community grants in marginal seats, amounting to a total value of $1.75 million, and 24 grants or 39.34 percent of all community grants in fairly safe seats, with a total value of $4.65 million. The ALP received 179 or 60.88 percent of all community grants in safe seats, amounting to a total value $124 million. During the 2022 election, the Greens received 129 or 33.33 percent of all community grants in marginal seats, amounting to a total value of $22.5 million. Interestingly, the Independents received the highest number (62 and 25) and proportion (41.33% and 40.98%) of community grants in fairly safe electorates, respectively, during the 2019 and 2022 federal

elections. Indeed, the total value of grants received by Independents in marginal seats was $28 million in 2019 and increased to $38.1 million in 2022.

To provide further evidence on whether ad hoc grants offered opportunities and incentives for politicians to engage in distributive politics, we further examined 28,364 community grants that were allocated to recipients on a discretionary basis during the 2019 and 2022 federal elections. Table 5.1 shows 11 community grant schemes that were identified by McAllister & Biddle (2024, p.1235) on the basis that recipients were invited to apply for these grants by ministers or local MPs. The researchers identified 19,123 grants (between 2018 and 2021) that promoted government programs such as community development, enhancing regional growth, and building stronger communities to proxy for "discretionary" grants. We replicated McAllister & Biddle's (2024) selection of these 11 grant programs and extended the time period by three years, that, is, from 2018-2021 to 2018-2024, covering 28,364 grants, a 48.32 percent increase in the number of grants, to create an additional measure of community grants that identified recipients who were invited to apply for these grants by ministers or local MPs. To differentiate this measure from the ad hoc or one-off selection process, we called this measure "discretionary" grants.

Table 5.1. Community Grants Awarded to Recipients on a Discretionary Basis

	Grant Program	1 Jan 2018–31 Dec 2024	1 Jan 2018–18 May 2019	1 Jan 2021–21 May 2022
1.	Armistice Centenary Grants Program	744	744	
2.	Building Better Regions Fund	269		180
3.	Community Development Grants	599	277	98
4.	Communities Environment Program	1,309	960	
5.	Drought Communities Program	348	286	2
6.	Female Facilities & Water Safety Stream	2	2	
7.	Regional Growth Fund	12	12	
8.	Safer Communities Fund - Home Affairs	481	399	55
9.	Safer Streets Program	1	1	
10.	Stronger Communities Program	11,631	4,629	4,539
11.	Volunteer Grants	12,968	4,861	5,430
	Total:	**28,364**	**12,111**	**10,340**

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Figure 5.3 provides an overview of community grants awarded to recipients on a discretionary basis that were associated with political party and electoral seat status. During the 2019 federal election, the Coalition received the highest number (733) or proportion (47.47 %) of all community grants in marginal seats and the highest number (534) or proportion (48.15%) of all community grants in fairly safe seats. The total value of the community grants held by the Coalition in marginal seats was $33.7 million, while in fairly safe seats the total value amounted to $50.9 million. The ALP, however, received the highest number (3,251) or proportion (54.73%) of all community grants in safe seats, amounting to a total value of $111 million. Similarly, during the 2022 federal election the Coalition received 219 or 49.10 percent of all community grants in marginal seats, amounting to a total value of $20.8 million, and 146 grants or 51.77 percent of all community grants in fairly safe seats, amounting to a total value of $6.89 million. The ALP received 953 or 56.83 percent of all community grants in safe seats, amounting to a total value of $53.2 million. Interestingly, the Greens who were mostly represented in metropolitan seats received a relatively high proportion of community grants in marginal electorates (19.88% and 18.83%, respectively) during the 2019 and 2022 federal elections. Indeed, the total value of grants received by the Greens in marginal seats amounted to $28.8 million in 2019, and $6.9 million in 2022.

Figure 5.3. Distribution of Community Grants Awarded on "Discretionary" Basis by Political Party and Electoral Seat Status in 2019 and 2022

	Marginal 2019	Fairly Safe 2019	Safe 2019	Marginal 2022	Fairly Safe 2022	Safe 2022
ALP	28.3	41.03	54.73	28.92	37.23	56.83
LNP	47.47	48.15	35.52	49.1	51.77	33.21
Greens	19.88	4.6	4.78	18.83	3.9	5.66
Independent/Other	4.34	6.22	4.97	3.14	7.09	4.29
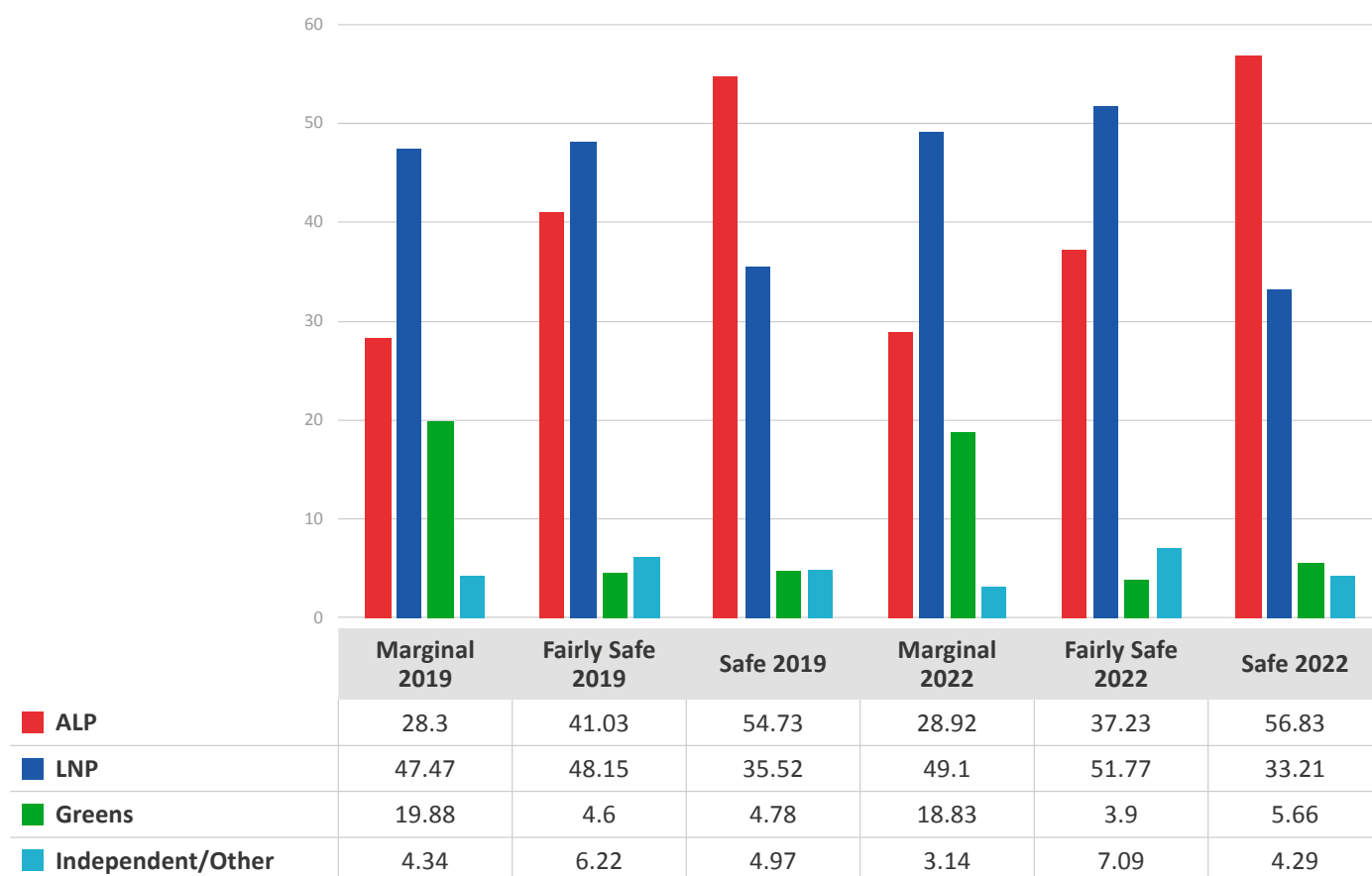
6. Business Grants, Political Parties, and Electoral Seats - Grant Level Data

Following on from our focus on business grants in two earlier White Paper reports, for completeness we examined the distribution of business grants by number and total value over a 12-month period before and up to the 2019 and 2022 federal elections, and by political party and electoral seat status. Business grants were derived from the "socio-economic category" variable in the GrantConnect dataset, which identifies three business category labels: Business Development, Industry Innovation, and Small Business. Because many business grants are designed to support research and development efforts and to promote innovation and competitiveness, and because these industry innovation and R&D grants are awarded to businesses on merit and via relatively robust screening processes, we did not expect these types of business grants to be associated with distributive politics. However, because governments often provide grants to encourage businesses to create jobs, especially in economically disadvantaged areas, and small businesses are usually targeted and

viewed by governments as important constituents, we wanted to gauge whether business grants were subject to distributive politics.

Figure 6.1 provides an overview of all business grants that were associated with political party and electoral seat status. During the 2019 federal election, the Coalition received the highest number (119) and proportion (52.42 %) of all business grants in marginal seats and the highest number (109) and proportion (46.98%) of all business grants in fairly safe seats. The total value of business grants in marginal seats was $88.7 million, whereas in fairly safe seats the total value amounted to $5.42 million. The ALP, however, received the highest number (594) and proportion (54.95%) of all business grants in safe seats during the 2019 election, with a total value of $157 million. Similarly, during the 2022 federal election the Coalition received 137 or 48.24 percent of all business grants in marginal seats, amounting to a total value of $12.6 million, and 149 grants or 63.68 percent of all business grants in fairly safe seats,

Figure 6.1. Distribution of Business Grants by Political Party and Electoral Seat Status in 2019 and 2022

	Marginal 2019	Fairly Safe 2019	Safe 2019	Marginal 2022	Fairly Safe 2022	Safe 2022
ALP	18.94	34.91	54.95	29.58	20.51	51.03
LNP	52.42	46.98	29.32	48.24	63.68	38.31
Greens	26.87	2.16	9.99	20.07	1.28	6.62
Independent/Other	1.76	15.95	5.74	2.11	14.53	4.04

amounting to a total value of $6.12 million. The ALP received 694 or 51.03 percent of all community grants in safe seats, amounting to a total value of $226 million during the 2022 election.

We identified in earlier White Paper reports that a total of 313 (3%) ad hoc grants were awarded by government ministers for the purposes of small businesses between 2018 and 2022. These grants had a mean value of $1.7 million and a total value amounting to around $540 million. Despite the sizeable numbers involved, ministers exercised this discretion with negligible oversight. Because these ad hoc grants are usually determined by ministerial decisions, we analysed the distribution of business grants that were awarded to recipients on an ad hoc basis by political party and electoral seat status (Figure 6.2). During the 2019 federal election, the Coalition received the highest number (277) and proportion (48.82%) of all business grants in marginal seats and 176 and 40 percent of all business grants in fairly safe seats. The total value of the business grants in marginal seats held by the Coalition amounted to $98.4 million, whereas in fairly safe seats the total value amounted to

$12.5 million. The ALP, however, received the highest number (1,190) and proportion (57.54%) of all business grants in safe seats, with a total value of $516 million. Similarly, during the 2022 federal election, the Coalition Party received 244 or 46.30 percent of all business grants in marginal seats, amounting to a total value of $22.3 million, and 214 grants or 48.31 percent of all business grants in fairly safe seats, amounting to a total value of $12.8 million. The ALP received 179 or 60.88 percent of all business grants in safe seats, amounting to a total value $70.8 million during the 2022 election. The Independents received a high number (123 and 121) and proportion (27.95% and 27.31%) of business grants in fairly safe electorates during the 2019 and 2022 federal elections, respectively. The total value of grants associated with the Independents in these seats amounted to $46.2 million in 2019 and $47.6 million in 2022.

Figure 6.2. Distribution of Business Grants Awarded on an Ad Hoc Basis by Political Party and Electoral Seat Status in 2019 and 2022

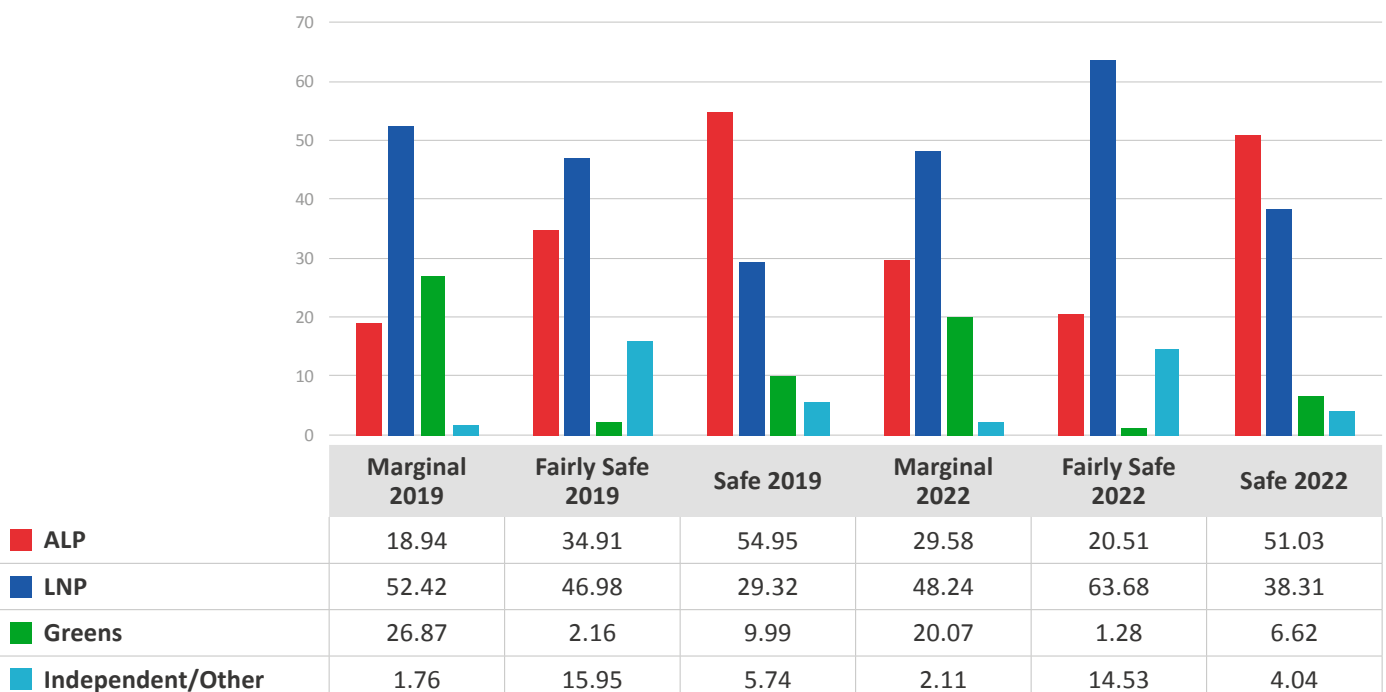|	Marginal 2019	Fairly Safe 2019	Safe 2019	Marginal 2022	Fairly Safe 2022	Safe 2022
ALP	20.43	27.95	57.54	26.38	20.77	55.06
LNP	48.82	40	26.79	46.3	48.31	32.24
Greens	28.6	4.09	7.3	25.05	3.61	5.65
Independent/Other	2.15	27.95	8.37	2.28	27.31	7.05
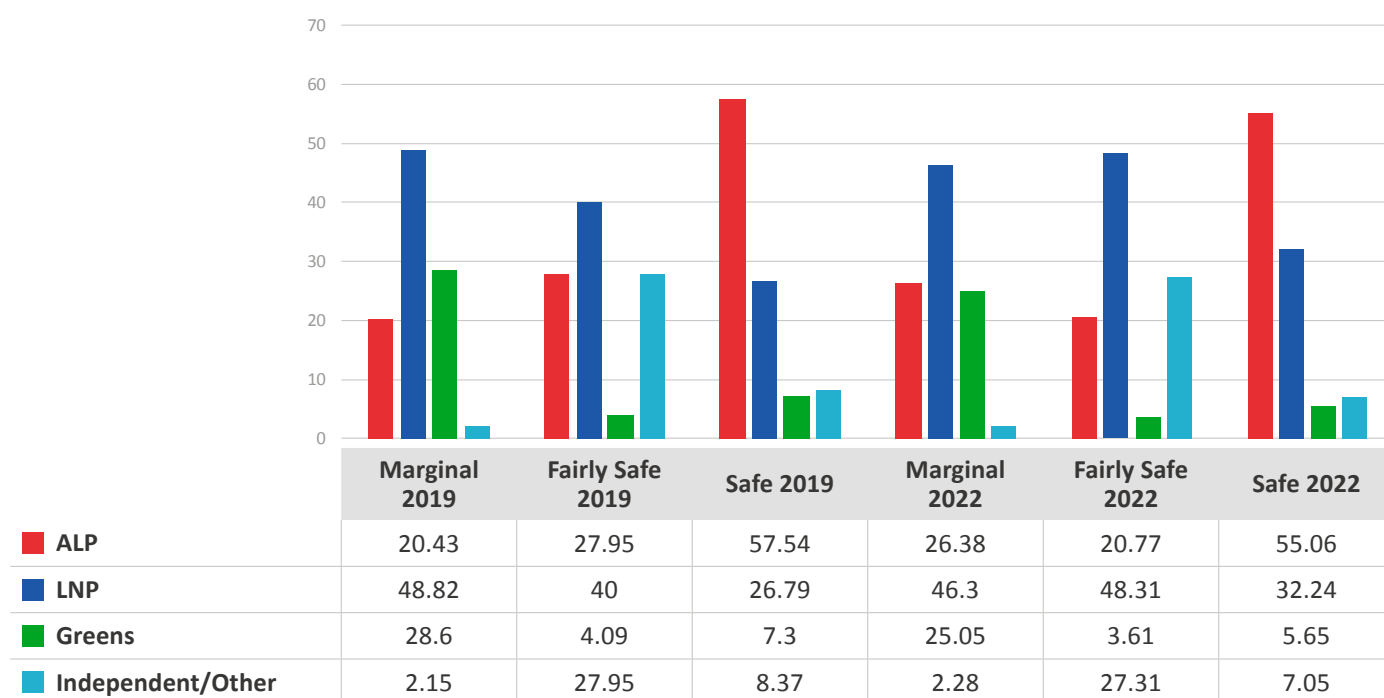
7. Community Grants and Distributive Politics - Electoral Level Data

In this section of the White Paper report, we examine the allocation of community grants in relation to distributive politics, that is, whether community grants are directed disproportionally by governments or incumbent MPs to influence undecided voters in swing or marginal electorates to maximise their chances of re-election and/or to reward loyal political supporters in safe seats. The policy responsiveness and accountability perspectives of distributive politics provide two theories to explain how community grant allocations can benefit voters. Community grant allocations are decided by politicians or political parties based on whether a constituency is a swing seat (referred to as "swing or marginal voter theory") or whether a constituency is a safe seat (referred to as "core or loyal voter theory"). In swing or marginal seats, swing voter theory predicts that politicians or political parties will re-allocate resources such as community grants to primarily influence undecided voters, usually in marginal electorates, to maximise the politician's or the political party's re-election. In safe seats, in contrast, resources are re-allocated to reward the politician's or the political party's supporters and party base (core voters) for their loyalty, commitment and hard work, as well as to prevent defection to competing parties (Cox, 2010; Dixit & Londregan, 1996; Leigh & McAllister, 2023).

In a two-party political system based on single member electorates, such as in Australia, members are accountable to their electorates. This is because voters are presented with two distinct political alternatives (i.e., the ALP or the Coalition), and they can either respond by punishing or rewarding a member or political party for policy failures or successes. However, Leigh and McAllister (2023, p. 1113) argue that the two-party political system in Australia, which has few independent members of parliament and fewer formal constraints on how governments decide to allocate funding, provides strong incentives for parties to engage in distributive politics or pork barrelling.

Accordingly, our White Paper report examined whether governments allocated grant funding in a way that

would be consistent with incentives to retain or win government-held or marginal electorates. To examine the relationship between community (business) grants and electoral outcomes, we utilised several Ordinary Least Squares regression models. Our outcome variables were the aggregated number of grants and the dollar amount of the grants that were awarded to each electorate. We used two explanatory variables, namely, a binary variable that indicated whether an electoral seat was held by the government (gov); and a binary variable that indicated whether an electoral seat was marginal (i.e., the seat had less than six percent margin in the two-party preferred vote) (marginal). For ease of presentation, we combined marginal and gov to construct four explanatory variables related to the nature of the seat: a government-held marginal electoral seat (govmarginal); a government-held non-marginal electoral seat (govsafe), a non-government-held marginal electoral seat (nongovmarginal); and, a non-government-held non-marginal seat (nongovsafe), which was used as a baseline. These variables were used to determine the "seat effect" on grant awards. Our regression models also incorporated four indices that were created by the ABS utilising census data and which assisted in controlling for relative socio-economic advantage and disadvantage in the electorate, the electorate's education and occupation, and the electorate's economic advantage and disadvantage. We also included a continuous variable that provided the number of voters (enrolments) in an electoral seat, a binary variable that indicated whether a seat contained the capital/CBD of a state or territory (capital), and state fixed effects to control for variation in the number of grants and the dollar amount of the grants between states/territories, as well as robust standard errors clustered by state.

Our analysis was underpinned by the assumption that, all else being equal, and conditional on the controls included in our models, the awarding of government grants should not be weighted towards either government-held or marginal seats. We acknowledge the

limitation that there may be other factors that both determine the electoral preferences of an electorate and the propensity for grants to be awarded. However, we believe the inclusion of ABS indices for socio-economic and demographic factors, as well as our controls for CBD/capital electorates address most of these concerns.

To provide a comprehensive analysis, our results are presented for all community grants collectively and for specific types of community grants. Conditional on the nature of the selection process, governments may have varying discretion with which they target the awarding of grants to government or marginal seats. Ex-ante, our expectation was such that grants with more discretion were more likely to be awarded in a manner consistent with the incentives suggested by either swing or core voter theory. However, given the opacity with which even open or competitive grants are awarded,[10] it may be possible that even grant programs with seemingly less discretion could be used for political gain.

7.1. Community Grants in the 2019 Federal Election

Our analysis began by examining the awarding of community grants leading up to the 2019 Federal Election. The results are summarised in Figures 7.1 to

7.4, with Figures 7.1 and 7.2 showing the results for the period leading up to the 2019 election (i.e., the pre-election period) by grant value and grant number (quantum), respectively. Figures 7.3 and 7.4 present the results for the period following the 2019 election (i.e., the post-election period) by grant value and grant number (quantum), respectively. The corresponding regression analysis is reported in Appendix B. Figures 7.1 through 7.4 translate the regression analysis into "seat effects" computed as the relative value or volume (number) of grants awarded to seats conditional on their electoral seat type, that is, government-held marginal seats (GHM); government-held non-marginal or safe seats (GHS); non-government-held marginal seats (NGM); and, non-government-held non-marginal or safe seats (NGS). As the category, NGS, represents the baseline for the regression analysis, Figures 7.1 to 7.4 report the "seat effects" relative to NGS seats. Accordingly, seats with reported results greater than 1.0 received grants in excess of NGS seats, and seats with reported results less than 1.0 received grants of lower value or number (quantum) than NGS seats. The statistical significance of the presented results was similarly assessed relative to NGS seats.

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[10] See e.g. Kavourakis, J., Tanewski, G., and Zaman, M. (2022). "Commonwealth Government Grants: 2018 to 2022". The IPA-Deakin SME Research Centre, Deakin University.

Figure 7.1. Value of Community Grants Awarded Pre-2019 Federal Election
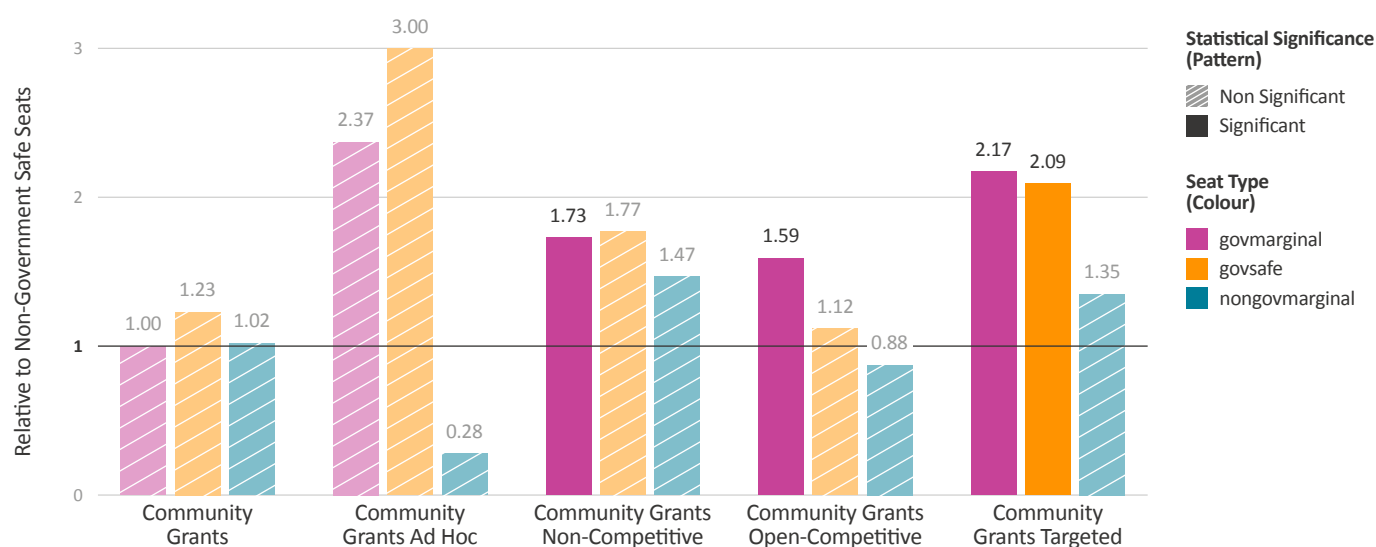
Prior to the 2019 election, there was evidence consistent with the awarding of grants that were concentrated in both government-held and marginal seats. The estimates of "seat effects" in Figure 7.1 for Non-Competitive Community Grants, Open-Competitive Community Grants and Targeted Community Grants, all provide evidence consistent with grants being awarded and focused on GHM electoral seats. The total grant values being awarded were approximately 73 percent, 59 percent and 117 percent higher in magnitude, respectively, relative to NGS electoral seats. These estimates of "seat effects" for the value of awarded grants are reasonably consistent with those for the volume of awarded grants in Figure 7.2.

Estimates of "seat effects" in Figure 7.2 show that overall, GHM electoral seats received 26 percent more grants relative to NGS electoral seats, higher than any other type of seat. The increase in grant awards was largely derived from Open-Competitive Community Grants and Targeted Community Grants, where awards were 30 percent and 35 percent higher in number in GHM electoral seats relative to NGM electoral seats. The estimated "seat effects" are not restricted to marginal seats. For Targeted Community Grants, GHS electoral seats were estimated to receive award values that were 109 percent higher (see Figure 7.1) relative to NGS electoral seats in the lead up to the 2019 federal election. In terms of the number of grants received, Targeted Community Grants were 21 percent higher in GHS electoral seats (see Figure 7.2) compared with the number of grants received in NGS electoral seats. For Targeted Community Grants, NGM electoral seats also received an estimated 17 percent more community grants than NGS safe seats. Other "seat effects" were consistent but not statistically significant.

Following the 2019 election, there were some substantial changes in the pattern of community grants awarded. There were no statistically significant "seat effects" associated with the awarding of Targeted Community Grants, whereas prior to the election there were substantial "seat effects". Amongst Open-Competitive Community Grants, there was an estimated

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[11] The regression effect size estimates of the overall average value of Open-Competitive Community grants are likely to be influenced (skewed) by several outliers.

Figure 7.2. Number of Community Grants Awarded Pre-2019 Federal Election
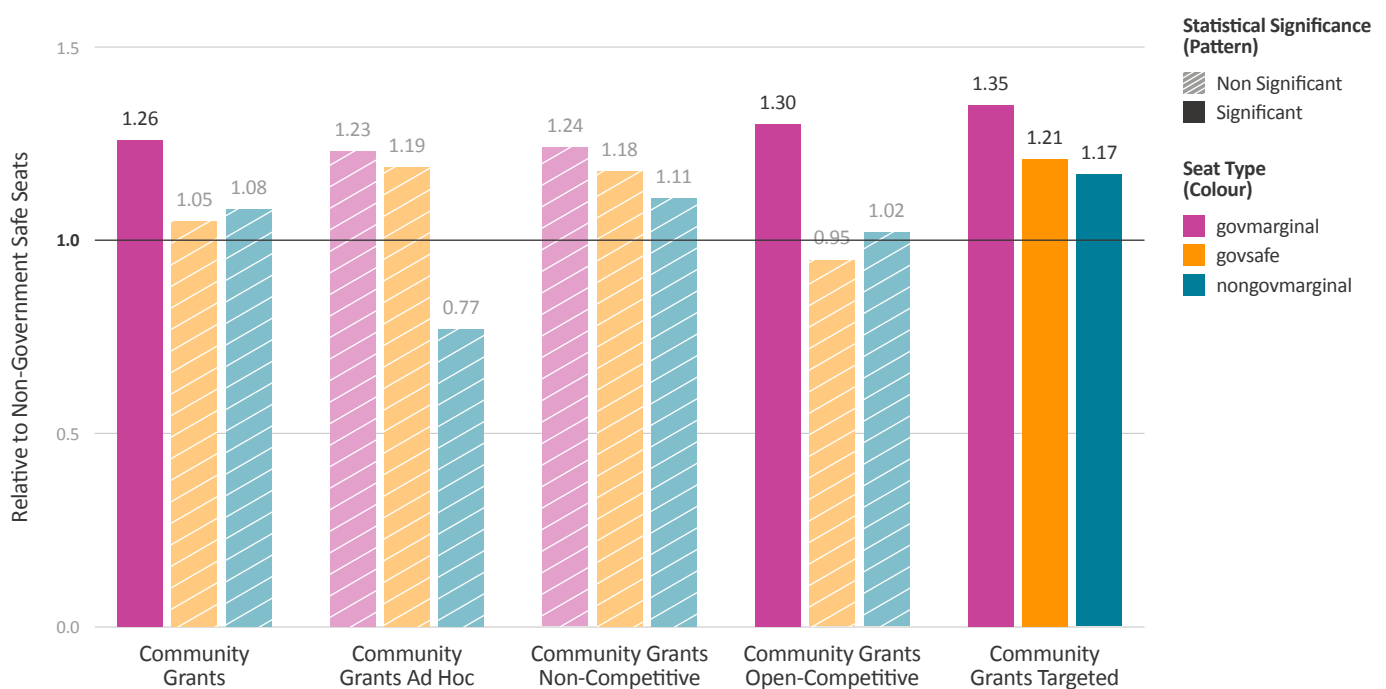
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262 percent increase in the value[11] of grants received in NGM electoral seats relative to NGS electoral seats (see Figure 7.3), and a 14 percent increase in the number of Open-Competitive Community Grants awarded in NGM electoral seats relative to NGS electoral seats (see Figure 7.4). Similarly, GHM electoral seats received a 140 percent increase in the value of Open-Competitive Community Grants relative to NGS

seats (see Figure 7.3), but these values were likely to be influenced by substantial grants because there was no significant increase in the number of Open-Competitive Community Grants awarded (Figure 7.4). The value of Non-Competitive Community Grants increased by 52 percent in GHM electoral seats while, in GHS safe seats (Figure 7.3), the value of Non-Competitive Community Grants increased by 114 percent, relative to NGS seats.

Figure 7.3. Value of Community Grants Awarded Post-2019 Federal Election

Figure 7.4. Number of Community Grants Awarded Post-2019 Federal Election
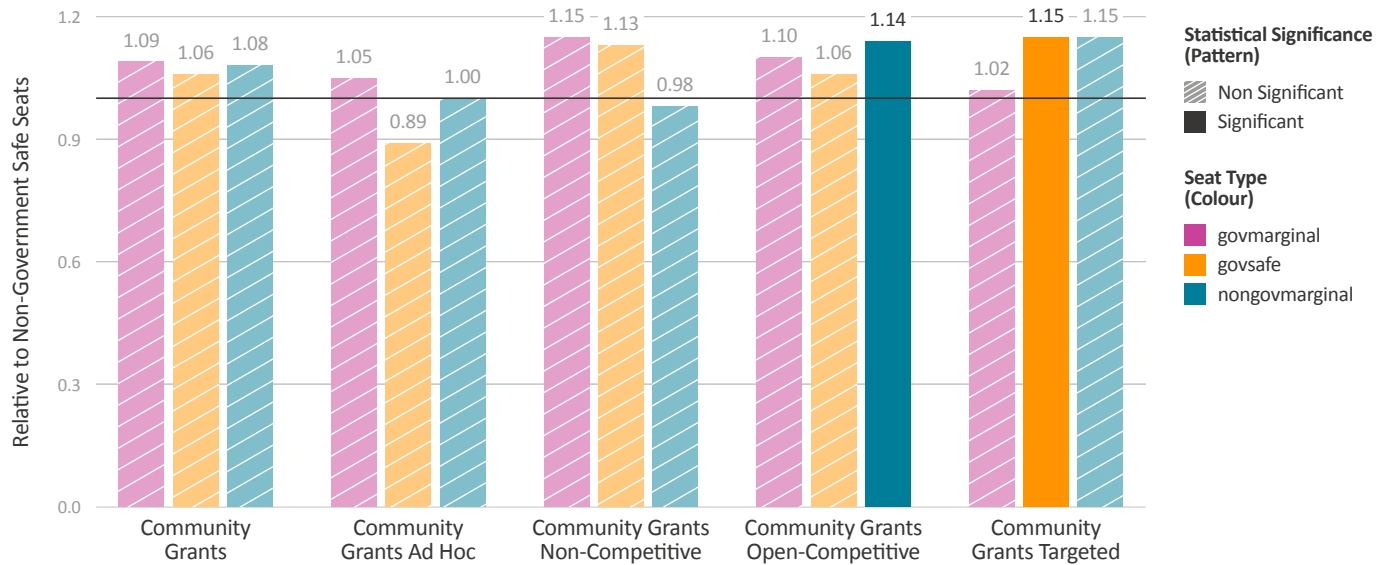
7.2. Community Grants in the 2022 Federal Election

The analysis also examined the award of grants surrounding the 2022 federal election. These community grants are presented in Figures 7.5 to 7.8. Figures 7.5 and 7.6 present the results for the period leading up to the election (i.e., the pre-election period) by grant value and number of grants awarded (quantum), respectively, and Figures 7.7 and 7.8 present the results for the period following the election (i.e., the post-election period) by grant value and number of grants awarded (quantum), respectively. The corresponding regression analysis is reported in Appendix C. As reported earlier in Section 7.1, Figures 7.5 to 7.8 translate the regression analysis into "seat effects" computed as the relative value or number (volume) of grants awarded to seats conditional on their type: GHM, GHS, non-NGM, and NGS.

Prior to the 2022 election, the regression estimates provide substantial evidence of "seat effects" for certain grant selection processes—specifically Targeted Community Grants and Open-Competitive Community

Grants. Estimates for Targeted Community grants show that GHS received a 907 percent increase in the value of Targeted Community grants relative to NGS electoral seats, whereas NGM electoral seats received an 815 percent increase in the value of grants awarded (see Figure 7.5), respectively, corresponding to a 60 percent and a 54 percent increase in the number of Targeted Community grants awarded (see Figure 7.6), respectively. The estimated "seat effects" suggest that government held seats and marginal seats held by opposition parties benefitted in the lead up to the 2022 federal election. Regression estimates also showed there was an 89 percent increase in the value of Open-Competitive community grants that GHS electoral seats received in comparison with NGS electoral seats, while NGM electoral seats received a 226 percent increase in the value[12] of Open-Competitive community grants awarded (see Figure 7.5) relative to NGS electoral seats, respectively, and a corresponding increase of 22 percent

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[12] The regression effect size estimates of the overall average value of Open-Competitive Community grants are likely to be influenced (skewed) by several outliers.

Figure 7.5. Value of Community Grants Awarded Pre-2022 Federal Election

and 34 percent in Open-Competitive community grants awarded (see Figure 7.6) compared with NGS electoral seats, respectively. Although regression estimates of the value of grant effects were likely to be overstated, concordance between the value of grants awarded and the number (or volume) of grants suggested strong "seat effects". Overall, GHS electoral seats received substantially more awards compared with NGS electoral seats (Figure 7.6). There were no other statistically significant "seat effects".

Following the 2022 election (i.e., the post-election period), there was a broad continuation in grant trends. Regression estimates show there was a 24 percent decline in the value and an 89 percent decline in the number of Ad Hoc community grants received in GHM electoral seats, with the number of grants being substantially affected by the granting of certain Ad Hoc

grants. Meanwhile, there was a 31 percent increase in the number of Open-Competitive community grants received in GHS and a 35 percent increase in the number of Open-Competitive community grants received in NGM relative to NGS electoral seats (see Figure 7.8), respectively. Estimates for Targeted community grants show that GHS electoral seats received a 42 percent increase in the number of Targeted grants awarded (see Figures 7.7 and 7.8), corresponding to a substantial increase in total value, with the latter affected by substantial grants. Similarly, NGM electoral seats received a 51 percent increase in the number (quantum) of Targeted grants awarded. There were no other statistically notable estimates of "seat effects" prior to the election but, in terms of value, GHM electoral seats benefitted from a number of substantial grants (Figure 7.8).

Figure 7.6. Number of Community Grants Awarded Pre-2022 Federal Election

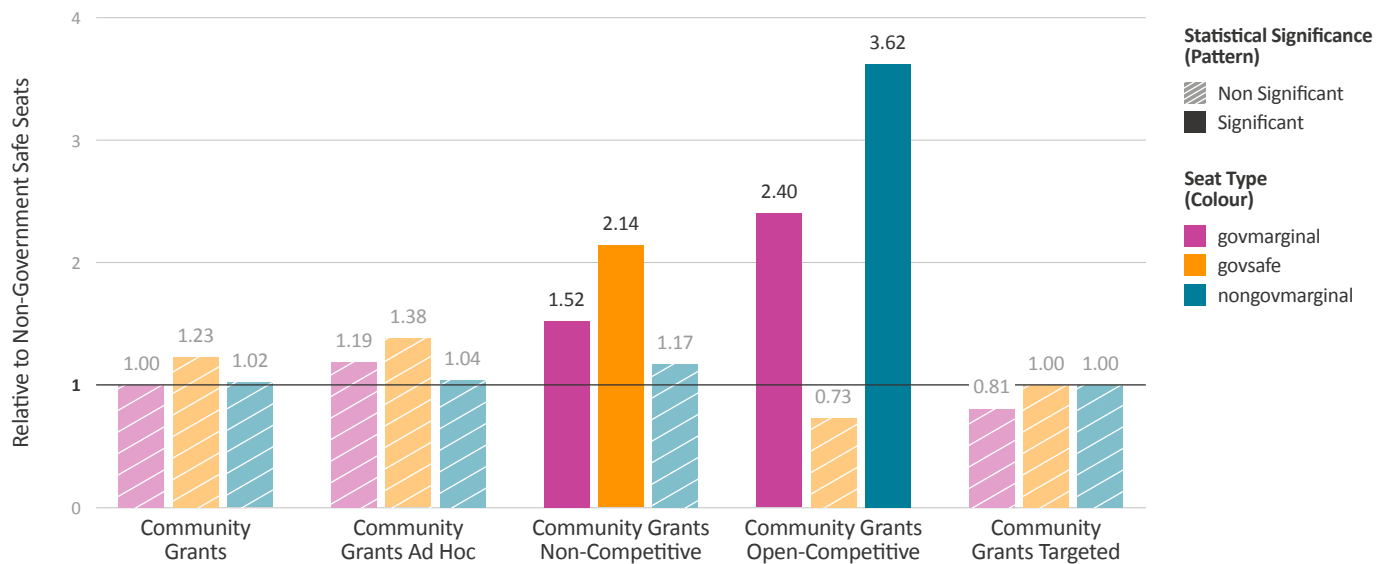**Figure 7.7. Value of Community Grants Awarded Post-2022 Federal Election**
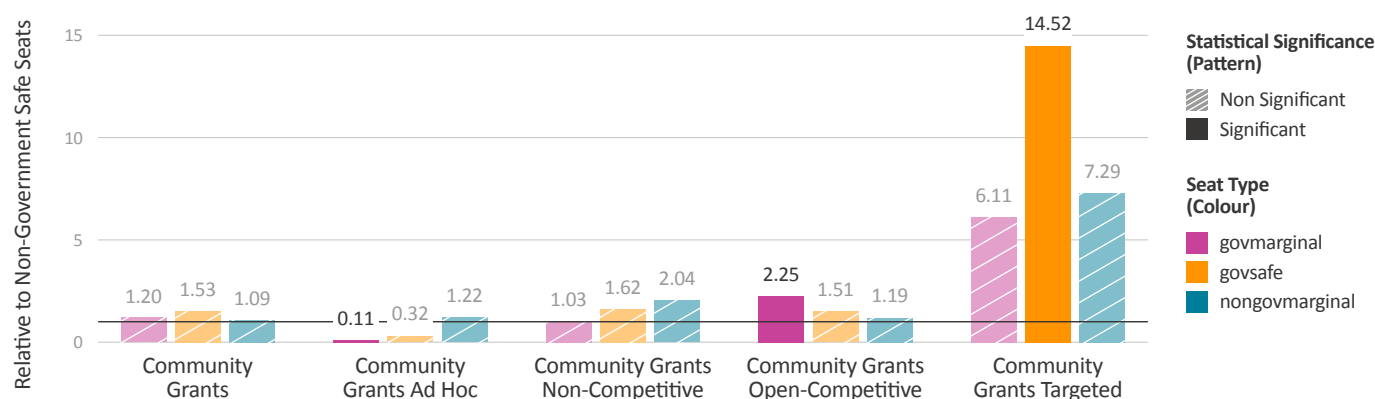
Figure 7.8. Number of Community Grants Awarded Post-2022 Federal Election
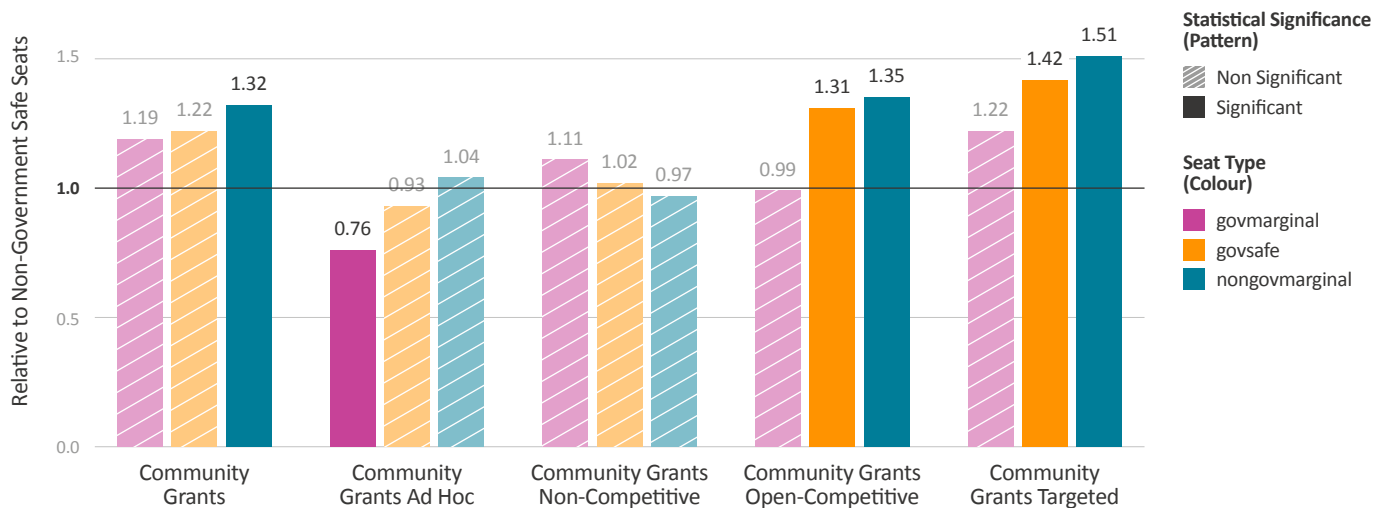
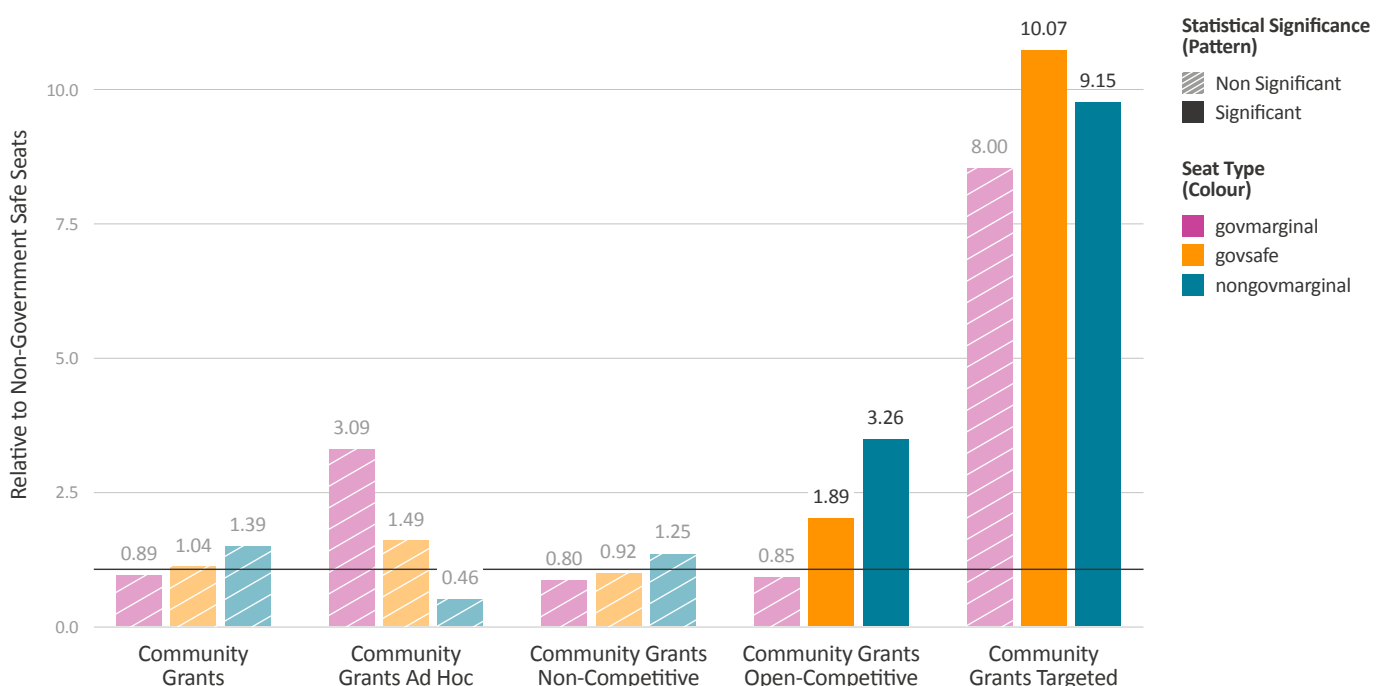## 7.3. Community Grants in the 2025 Federal Election

The analysis then examined the award of community grants prior to the 2025 federal election. These are presented in Figures 7.9 and 7.10, with Figure 7.9 reporting estimates for the value of grants awarded, and Figure 7.10 reporting estimates for the number (quantum) of grants awarded. The corresponding regression analysis is reported in Appendix D. As shown in Sections 7.1 and 7.2, Figures 7.9 and 7.10 translate the regression analysis into "seat effects" computed as the relative value or volume of grants awarded to seats conditional on their type: GHM, GHS, NGM, and NGS.

Estimates for the 2025 election are affected by the proximity of this study to the election. Scheduled (likely) after April 2025, this study does not have access to the full 12-month period prior to the election. Because community grant awards may be substantially increased in the late stages of the electoral campaign, estimates based on the available data in this White Paper are not likely to fully or appropriately represent the eventual distribution of grants awarded across electoral seats.

Prior to the 2025 election, the estimates reveal limited evidence of "seat effects". In Figure 7.9, there are statistically significant "seat effects" shown for Non-Com-

petitive Community Grants, with GHM electoral seats estimated to receive an 83 percent decrease in the value of grants awarded. However, this contrasts the results obtained for the number (quantum) of grants awarded in Figure 7.10, which indicates a 12 percent increase in Non-Competitive Community Grants in GHM electoral seats, relative to NGS electoral seats. Accordingly, given the above-mentioned inconsistencies and limited data, we expect estimates for the value of Non-Competitive community grants to be affected by certain substantial grants.

Notwithstanding the limited "seat effects" observed during the 2025 pre-election period, there were statistically significant estimates of grant value increases and in the number of grants awarded for Open-Competitive community grants. Figure 7.9 shows there was a 186 percent increase in the value of Open-Competitive community grants awarded in GHM electorates and a 24 percent increase in the number of Open-Competitive community grants awarded in GHM electorates, compared with NGS safe electoral seats. Meanwhile, there was a 63 percent decline in the value of Open-Competitive community grants in GHS seats and a one percent decline in the number of Open-Competitive community grants in GHS seats, compared with NGS electoral seats.

DISTRIBUTIVE POLITICS AND COMMONWEALTH COMMUNITY
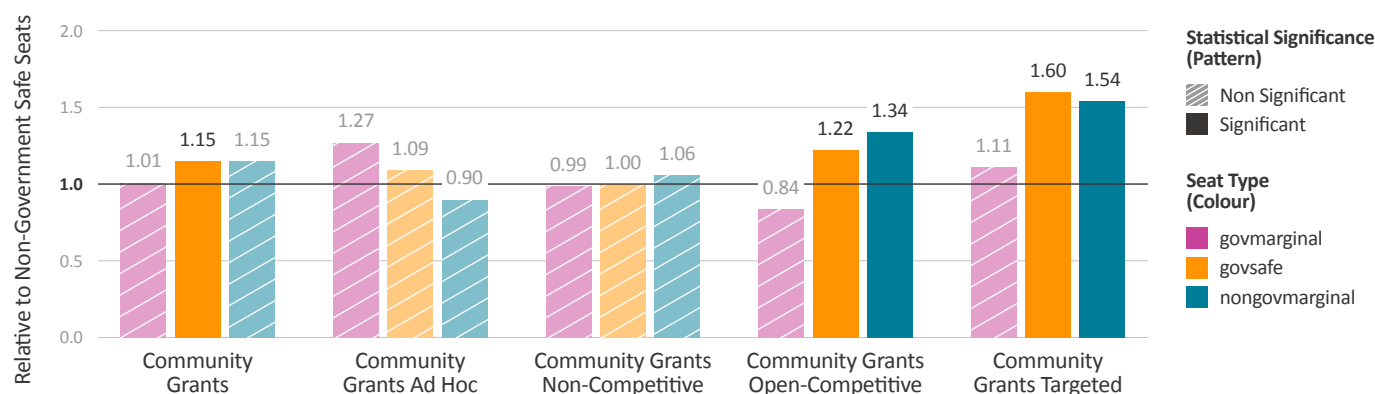GRANTS: THE INFLUENCE OF FEDERAL ELECTIONS

Figure 7.9. Value of Community Grants Awarded Pre-2025 Federal Election
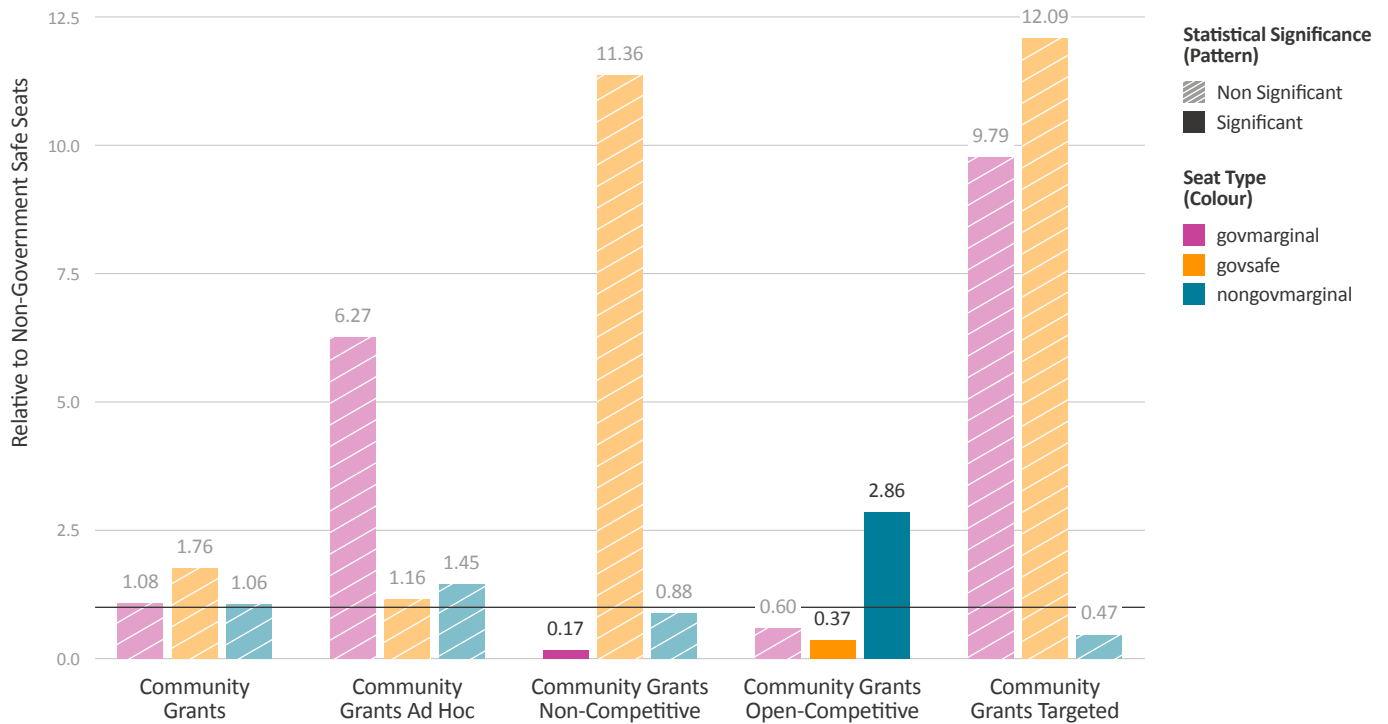
Figure 7.10. Number of Community Grants Awarded Pre-2025 Federal Election
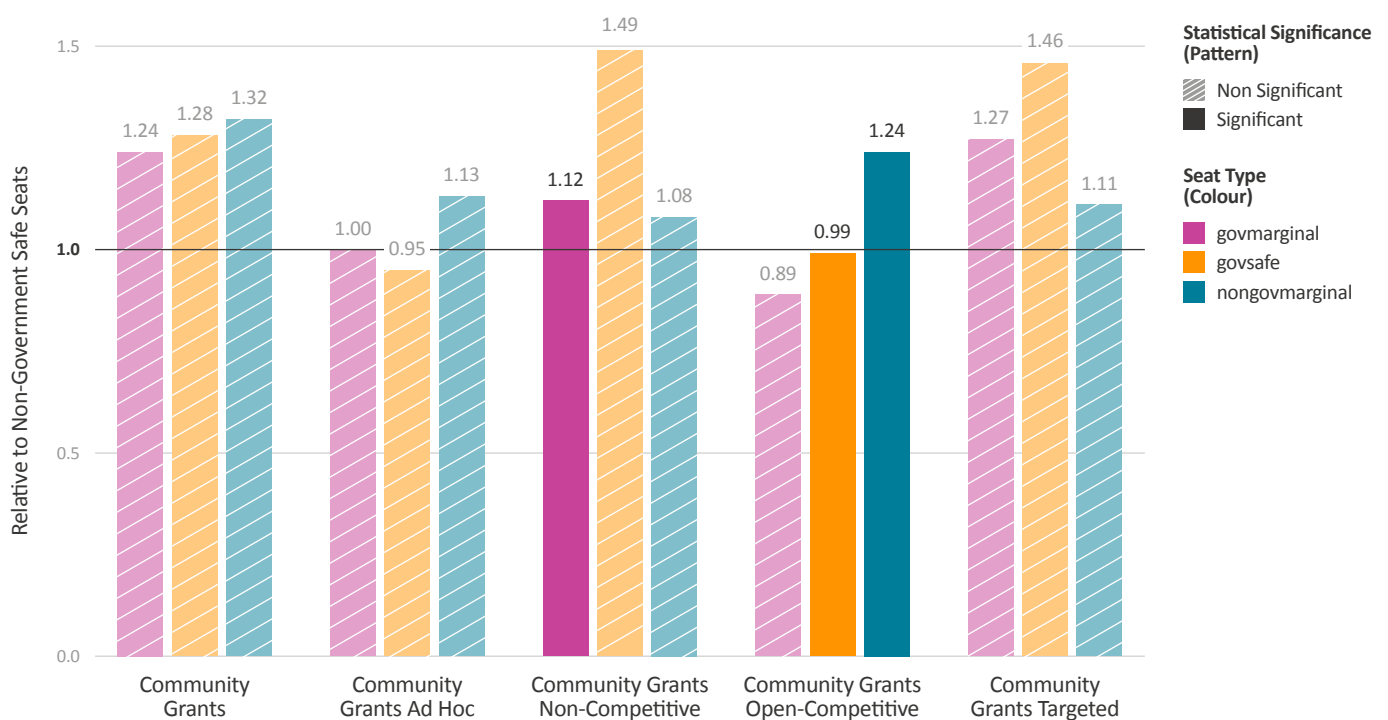
7.4. Non-Community Grants in Federal Elections

A possible concern in our analysis is that the pattern of grants described in this report is an outcome of the general pattern of grants awarded, reflecting factors common across different types of grants not otherwise controlled for by the inclusion of the socio-economic, demographic, and geographic control variables that we had included in our estimates of the "seat effects". For example, it is possible that certain electoral seats might exhibit characteristics other than the ones we had controlled for, such as a higher number of businesses and other community organisations, which would result in a concentration of grants, but may also be correlated with electoral voting preferences. Such phenomena would introduce bias into our estimates of "seat effects".

To the extent our estimates are an outcome of the genuine economic and demographic factors that we included in our models, and these economic and demographic factors influence our estimates of "seat effects", it follows that "seat effects" should also be present in the awarding of other grants that should, in theory, be highly correlated with such economic factors. Accordingly, we extend our analysis by further examining three types of business grants, "Small Business", "Small Business Development Grants" , and "Business Innovation," and we also separately examine "Discretionary

Grants" (see McAllister & Biddle 2024) and Research Grants provided by the Australian Research Council and the National Health and Medical Research Council (NHMRC). Should our estimates of "seat effects" be confounded by derived non-political factors, these factors should also be apparent when estimating "seat effects" for these additional grant types.

Estimates of "seat effects" for these grant types are presented in Figures 7.11 to 7.16. Figures 7.11 to 7.13 report the estimates of "seat effects" for the period before all three federal elections with respect to the value of grants awarded, while Figures 7.14 to 7.16 report the number (quantum) of grants awarded. The corresponding regression analysis is reported in Appendix E. As before, these figures translate the regression analysis into "seat effects" computed as the relative value or volume of grants awarded to seats conditional on their type: GHM, GHS, NGM, and NGS.

This analysis was consistent with our earlier analysis of "seat effects" for community grants capturing political factors, rather than socio-economic, demographic, or geographic factors. Figures 7.11 to 7.16 show there were no statistically significant "seat effects". Moreover, in most cases, the statistically nonsignificant estimates for potential "seat effects" associated with GHM, GHS, and NGM electoral seats suggested that these electoral seats received fewer grants and were economically of lower value.

Figure 7.11. Value of Non-Community Grants Awarded Pre-2019 Federal Election
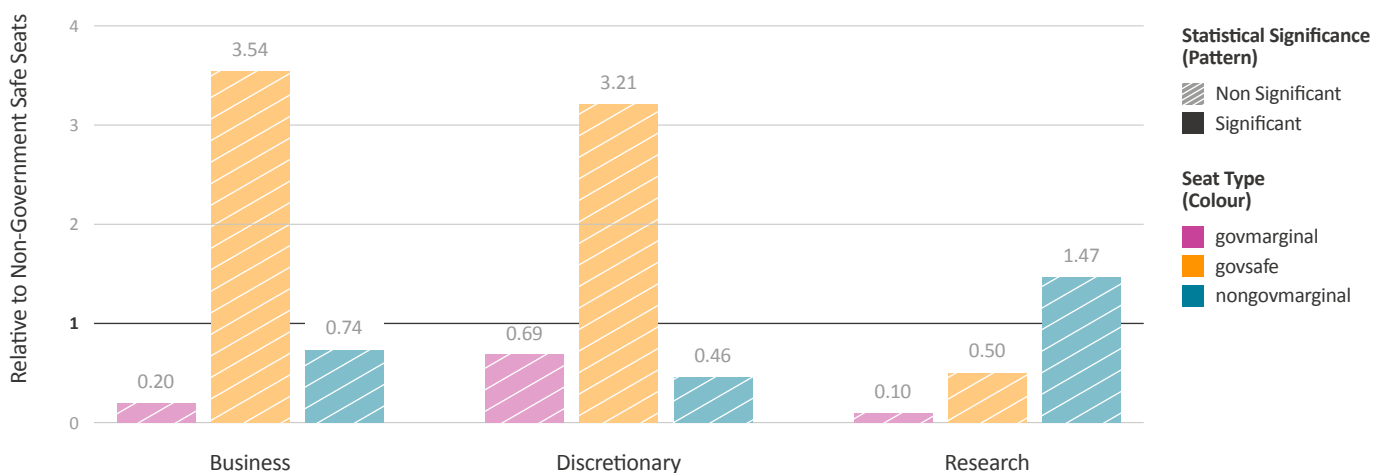
DISTRIBUTIVE POLITICS AND COMMONWEALTH COMMUNITY GRANTS: THE INFLUENCE OF FEDERAL ELECTIONS

Figure 7.12. Value of Non-Community Grants Awarded Pre-2022 Federal Election
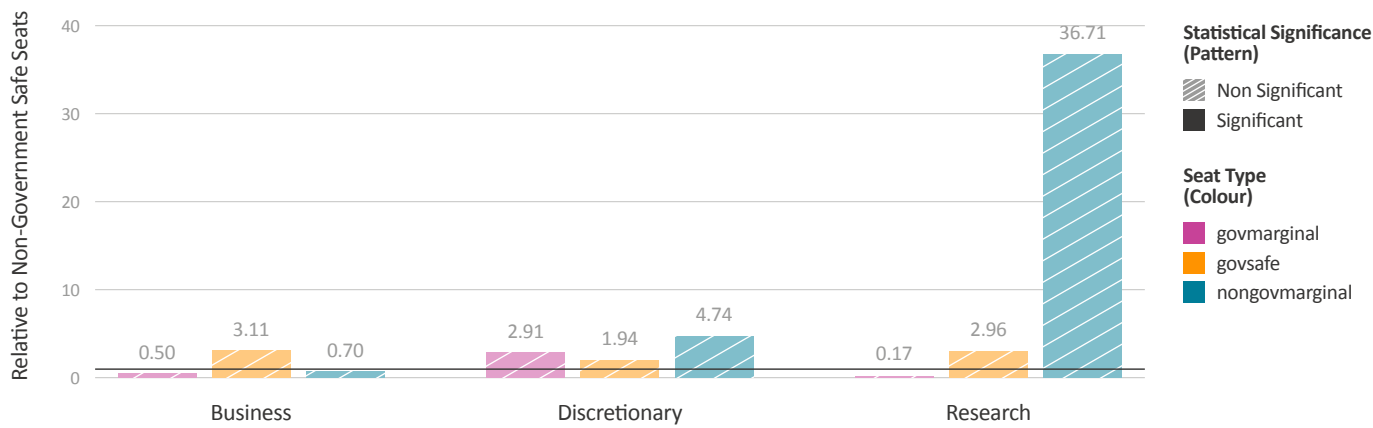
**Figure 7.13. Value of Non-Community Grants Awarded Pre-2025 Federal Election**
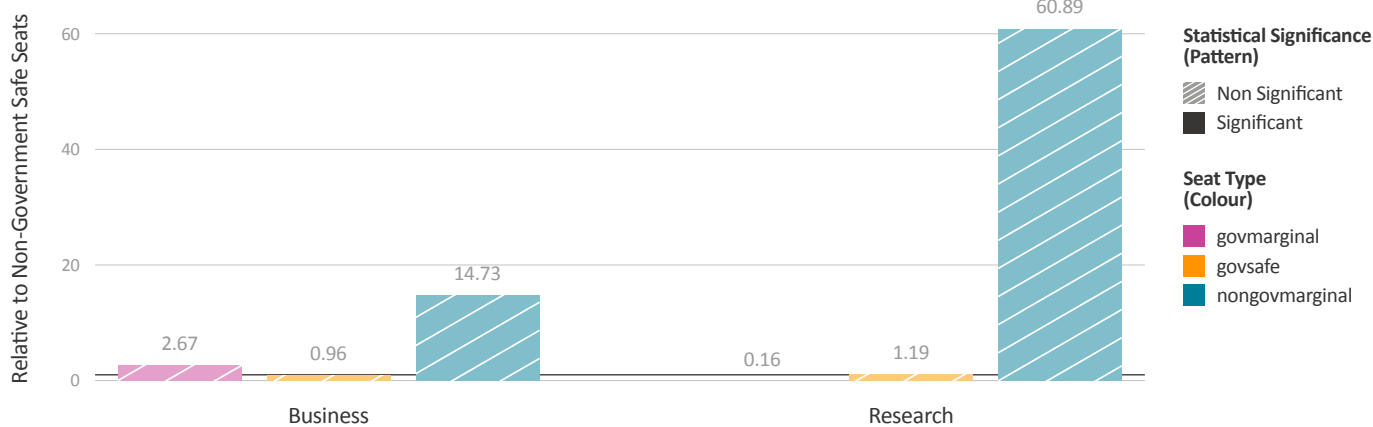
Figure 7.14. Number of Non-Community Grants Awarded Pre-2019 Federal Election
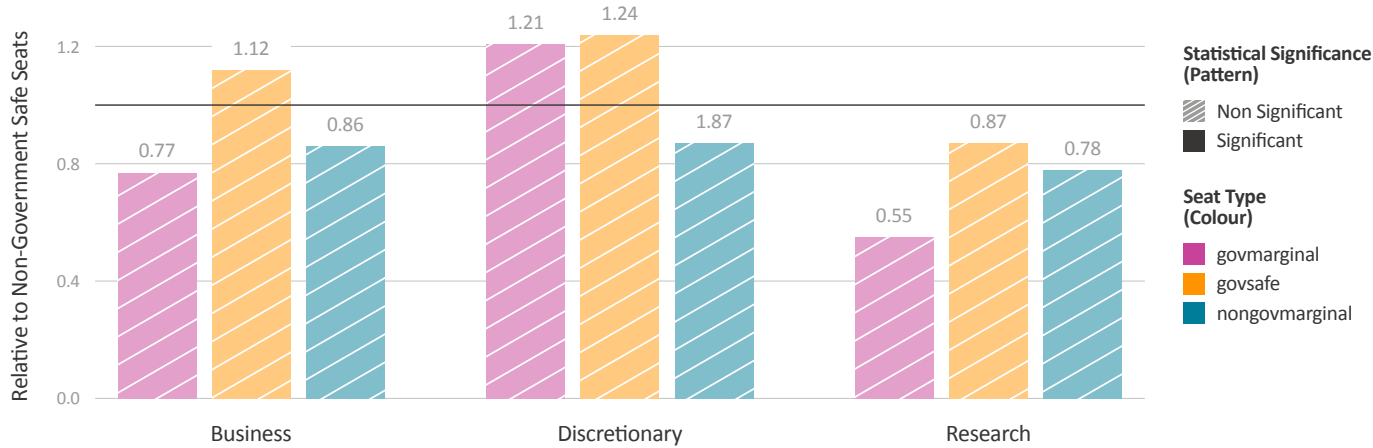
Figure 7.15. Number of Non-Community Grants Awarded Pre-2022 Federal Election
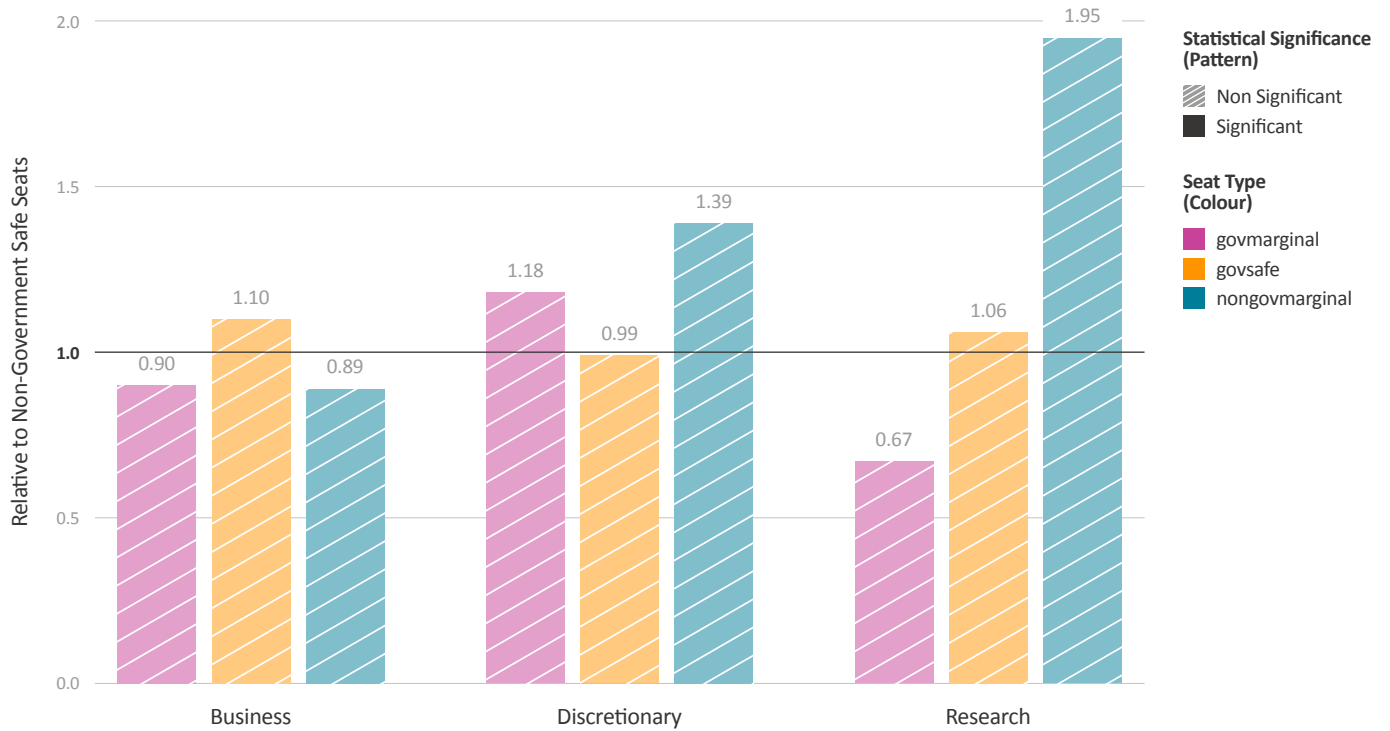
Figure 7.16. Number of Non-Community Grants Awarded Pre-2025 Federal Election
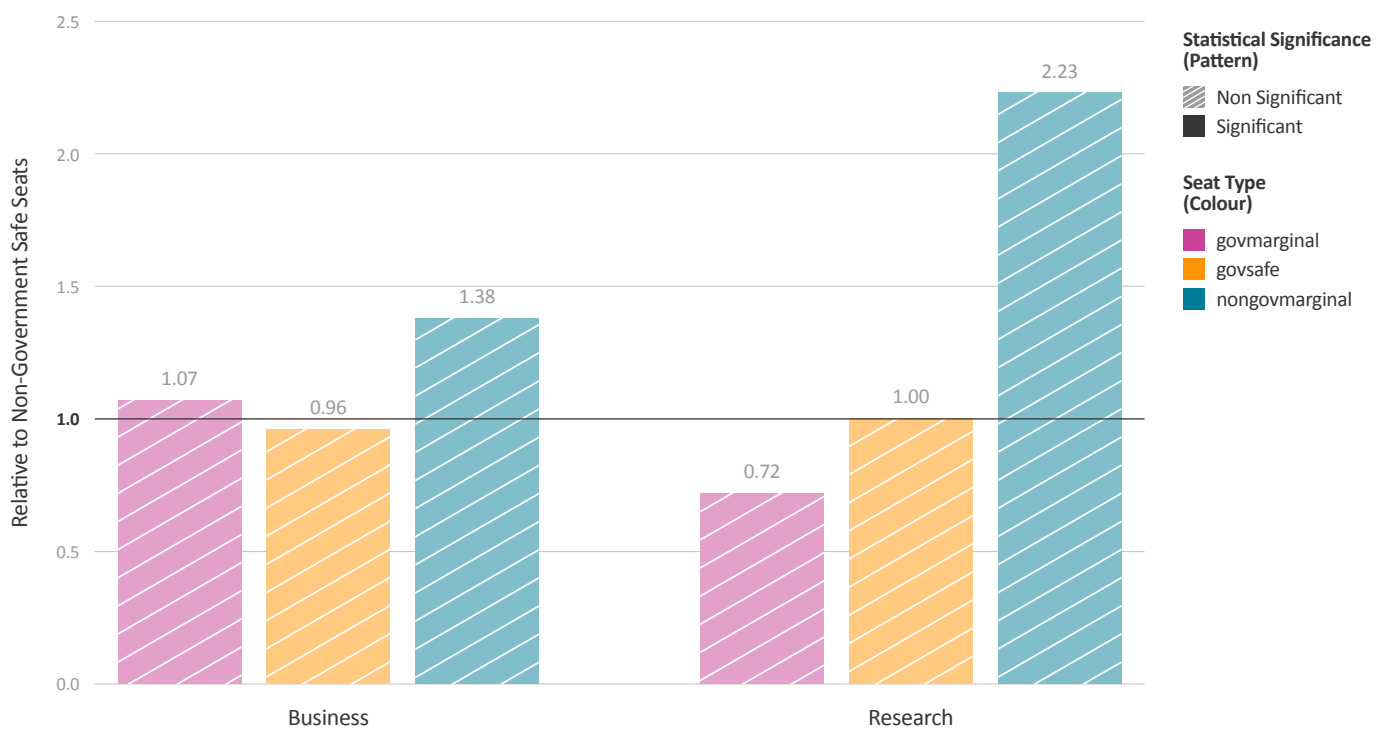
8. Discussion and Conclusions

This White Paper report set out to examine the extent to which there was evidence to support the proposition that the allocation of community grants awarded by the commonwealth government is subject to distributive politics or pork barrelling closer to election times. The evidence gathered from our estimations of "seat effects" is consistent with such a proposition influencing grant allocations in Australian federal electoral divisions. Our estimates of the statistical significance of the effect sizes (magnitudes) for the 2019, 2022, and 2025 federal elections are consistent with grants being disproportionately allocated to commonwealth government-held electoral seats, especially in marginal electorates. Such awards appear to be most prevalent for Non-Competitive community grants (i.e., grants are assessed individually against set selection criteria and funding decisions for each application are determined without reference to the comparative merits of other applications)[14], where governments may have more flexibility in determining grant recipients. Prior to the 2019 federal election, there were similar "seat effects" amongst Targeted Community grants. Our results also provide grounds to suggest that political incentives may affect the awarding of community grants conducted using Open-Competitive processes. In general, across the three elections, our estimations suggest that there were substantial "seat effects" in favour of grants that utilised Open-Competitive processes in marginal seats.

Confidence in our estimates of "seat effects" for community grants comes from further examination and comparisons of patterns of community grant allocations (distributions) post-federal elections as well as in relation to grants awarded for business, research, and other reasons (i.e., grants with possibly more fixed criteria for their award). The post-federal elections periods (i.e., the 12-month period following the election) demonstrated that the pattern of grants awarded changed to primarily benefit safe government-held electoral seats and non-government-held marginal electoral seats. However, non-community grants such as small business and business innovation grants provided no evidence to support allocation of these grants for political purposes.

Although there did not appear to be substantial "seat effects" across all categories of community grants awarded, our evidence provides support that community grants with arguably more discretion are subject to distributive politics or pork barrelling closer to pre-federal election times. To uncover the extent of any such political usage of grant funding, the ANAO may need to undertake a substantial audit of the processes under which grants are awarded. Furthermore, our findings reinforce the need for greater disclosure and transparency of grant funding selection processes. In our previous White Papers from this series, we called for greater disclosure of (a) applicants for grants, and (b) ministerial override. Greater transparency will allow for the democratic process to enhance controls on political interests playing out through the selection of grants. However, the democratic process can only function effectively as a control mechanism when the electorate is aware of the award outcome and the alternatives. We again reiterate our call for greater disclosure in the commonwealth government grants selection processes and grants in general.

There are important caveats to our analysis. The estimates resulting from our models suggest that grants awarded may be consistent with political interests. However, our analysis is incapable of determining whether grants awarded are provided on merit. It is plausible that the distribution of competitive and non-competitive grants awarded to the electorate in government-held or marginal seats reflects the efficient allocation of grants, despite these differing selection processes. It is also plausible that our models do not fully account for other factors that may both determine the allocation of grants and the distribution of electoral votes.

Accordingly, our results and commentary do not, in any way, suggest or confirm malfeasance on the part of government's decision-makers. Rather, our regression model estimates suggest that the pattern of community grants awarded to the electorate in various commonwealth electoral divisions provides support for the

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[10] *See Commonwealth Grants Rules and Guideline 2017. https://www.communitygrants.gov.au/sites/default/files/documents/2022-07/5096-commonwealth-grants-rules.pdf*

proposition that political interests drive the allocation of grant funding in a way that is consistent with incentives to retain or win government-held or marginal electorates during the pre-election periods and to reward political party supporters and the party base (core voters) during the post-election periods. In other words, there is support for "swing voter or marginal voter theory", where political interests re-allocate resources such as community grants to primarily influence undecided voters to maximise the political party's re-election and for "core voter or loyal voter theory", where resources are re-allocated to reward loyal voters for their commitment and hard work. Regulators with greater oversight of the grants processes may be well served to ascertain, on closer inspection, whether such a pattern of grants awarded is a product of efficiency, chance, or pork barrelling. Regression model estimates do not provide commentary on the individual award of any grant, but rather model estimates focus on aggregate value and the average number or quantum of grants awarded in an electoral division. Hence, our estimates do not suggest that any individual grant is unmerited, and it is likely that many community grants are valuable and important and are allocated to supporting and delivering public support or public sponsorship to organisations, community groups, and individuals in government or marginally held electoral seats.

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Appendix A.

Socio-Economic Category

Socio-Economic Category	Freq.	%
Aged Care	25,231	15.11
Child Care	20,195	12.09
Disaster Relief	15,775	9.45
Philanthropy, Voluntarism and Not-for-Profits Infrastructure	15,391	9.22
Community Development	13,687	8.2
Industry Innovation	10,081	6.04
Regional Development	6,803	4.07
Trade and Tourism	4,964	2.97
Energy Resources	4,699	2.81
Medical Research	4,440	2.66
Legal Services	3,864	2.31
Indigenous Arts and Culture	3,754	2.25
Farming	3,408	2.04
Veterans	2,839	1.7
Business Development	2,205	1.32
Humanities	2,164	1.3
Health and Medical Research	1,973	1.18
Small Business	1,942	1.16
Natural Resources - Conservation and Protection	1,855	1.11
Humanities, Arts and Social Sciences (HASS) Research	1,510	0.9
Multiculturalism	1,379	0.83
Local Government	1,328	0.8
Services for People with Disabilities	1,191	0.71
Scholarships	1,173	0.7
Indigenous Health	1,053	0.63
Indigenous Education	872	0.52
Commemorative	847	0.51
Defence	823	0.49
Science	816	0.49
Public Diplomacy	801	0.48
Indigenous Employment and Business	799	0.48
Health Promotion and Prevention Programs	797	0.48
Indigenous Communities	793	0.47
Scientific Research	765	0.46

Socio-Economic Category	Freq.	%
Community Safety	677	0.41
Public Health Services	610	0.37
Drought	484	0.29
Climate Change	468	0.28
Media and Communications	383	0.23
Social Support	316	0.19
Rural Development	305	0.18
Education Support	278	0.17
Mental Health	248	0.15
Transport	226	0.14
Recreation and Sport	216	0.13
Higher Education	187	0.11
Vocational Training and Apprenticeships	179	0.11
Animal Welfare	177	0.11
Cancer	166	0.1
Broadcasting and Tele-communications	164	0.1
Infrastructure	132	0.08
Employment Services	123	0.07
Palliative Care	122	0.07
Vocational Education	103	0.06
Heritage	102	0.06
Carers of People with Disabilities	101	0.06
Water Resources	85	0.05
Women	80	0.05
Public Health and Safety	57	0.03
Dementia	54	0.03
Primary and Secondary Schools	50	0.03
Science, Technology, Engineering and Mathematics (STEM) Research	48	0.03
Cultural Heritage	44	0.03
Information Technology	43	0.03
Addiction and Substance Abuse	42	0.03
National Security	41	0.02
Healthy Ageing	40	0.02
Zoos, Wildlife Sanctuaries and Conservation of Endangered Species	36	0.02
Family and Domestic Violence	35	0.02

Socio-Economic Category	Freq.	%
Disability Sector Representation	32	0.02
Technology	32	0.02
Recycling	26	0.02
International Aid and Development	19	0.01
Performing Arts	17	0.01
Academic Medical Research	16	0.01
Research and Technology Based Services	16	0.01
Youth Services	15	0.01
Child Health, Development and Wellbeing	14	0.01
Land Resources	11	0.01
Overseas Advocacy	11	0.01
Human Rights	10	0.01
Museums and Galleries	10	0.01
Work Health and Safety	10	0.01
Reproductive Health	9	0.01
International Organisations	8	0
Settlement Services	8	0
Transition to Work	8	0
Adult and Continuing Education	6	0
Medical Scholarships	6	0
Literacy and Numeracy Support	5	0
Pollution Control	5	0
Visual Arts	5	0
Advocacy	4	0
Community Care	4	0
Family Services and Children	4	0
Social Justice	4	0
Sustainable Development	4	0
Asylum Seekers and Refugees	3	0
Victims of Crime	3	0
Cardiovascular Health	2	0
Food and Nutrition	2	0
Housing Affordability	2	0
Libraries	2	0
Social Inclusion	2	0
Special Education	2	0

Socio-Economic Category	Freq.	%
Crisis Accommodation	1	0
Family Relationship Support	1	0
Homelessness	1	0
Migrants	1	0
Respiratory Health	1	0
Total	**166,981**	**100**

Appendix B.

Regression Results - 2019 Federal Election

	Community Grants - 2019 Election - Seat Type			
	Value	Count	Value	Count
	Pre-Election		Post-Election	
	(1)	(2)	(3)	(4)
govmarginal	0.003	0.234**	0.184	0.089
	(0.158)	(0.097)	(0.176)	(0.126)
govsafe	0.210	0.052	0.423	0.055
	(0.316)	(0.069)	(0.239)	(0.120)
nongovmarginal	0.024	0.076	0.086	0.077
	(0.221)	(0.072)	(0.087)	(0.141)
enrolment	4.111***	1.372	0.668	0.252*
	(1.157)	(1.064)	(0.458)	(0.124)
capital	1.066**	1.045***	0.665**	0.871***
	(0.381)	(0.289)	(0.247)	(0.205)
index_scd	-10.837	1.950	3.967	2.671
	(6.380)	(1.816)	(6.368)	(2.079)
index_scad	6.097	-14.668**	-22.958**	-9.366***
	(3.657)	(4.204)	(7.116)	(1.166)
index_er	-6.542**	0.178	-4.164	-1.841
	(2.176)	(2.147)	(2.911)	(1.047)
index_eo	8.206**	11.612***	23.143***	8.551***
	(2.772)	(2.989)	(4.338)	(1.142)
State Fixed-Effects	Yes	Yes	Yes	Yes
N	140	140	149	149
Adjusted R^2	0.450	0.721	0.517	0.670

Notes: ****Significant at 1 percent level.*
 **Significant at 5 percent level.
 *Significant at 10 percent level.
 Standard errors clustered by State.

	Community Grants Ad Hoc - 2019 Election - Seat Type			
	Value	Count	Value	Count
	Pre-Election		Post-Election	
	(1)	(2)	(3)	(4)
govmarginal	0.862	0.205	0.170	0.052
	(2.274)	(0.194)	(0.260)	(0.162)
govsafe	1.097	0.176	0.319	-0.119
	(1.325)	(0.108)	(0.325)	(0.225)
nongovmarginal	-1.287	-0.265	0.039	-0.005
	(2.077)	(0.269)	(0.161)	(0.206)
enrolment	5.290	2.255*	-0.534	-0.521
	(11.943)	(1.110)	(0.873)	(0.341)
capital	1.717	1.397***	1.290***	1.036***
	(1.951)	(0.327)	(0.235)	(0.180)
index_scd	-51.838	-10.946*	1.879	-4.312
	(41.576)	(5.687)	(3.334)	(2.520)
index_scad	56.819	22.623**	-20.373*	-1.926
	(73.085)	(8.304)	(8.783)	(1.957)
index_er	-24.967	-8.722***	-4.900	-0.469
	(19.997)	(2.032)	(2.618)	(1.519)
index_eo	14.753	-5.022	24.125***	7.575**
	(38.199)	(3.602)	(3.800)	(2.260)
State Fixed-Effects	Yes	Yes	Yes	Yes
N	140	140	149	149
Adjusted R^2	0.276	0.537	0.363	0.557

Notes: *** *Significant at 1 percent level.*
 ** *Significant at 5 percent level.*
 * *Significant at 10 percent level.*
 Standard errors clustered by State.

DISTRIBUTIVE POLITICS AND COMMONWEALTH COMMUNITY GRANTS: THE INFLUENCE OF FEDERAL ELECTIONS

	Community Grants Non-Competitive - 2019 Election - Seat Type			
	Value	Count	Value	Count
	Pre-Election		Post-Election	
	(1)	(2)	(3)	(4)
govmarginal	0.550*	0.217	0.416*	0.138
	(0.249)	(0.220)	(0.197)	(0.119)
govsafe	0.571	0.166	0.761**	0.118
	(0.388)	(0.094)	(0.246)	(0.092)
nongovmarginal	0.386	0.101	0.155	-0.022
	(0.405)	(0.092)	(0.187)	(0.121)
enrolment	3.093*	1.214	1.715**	0.816***
	(1.429)	(0.999)	(0.662)	(0.086)
capital	1.526	1.354***	1.188*	0.261
	(0.883)	(0.262)	(0.583)	(0.138)
index_scd	16.047*	0.418	5.834	5.916**
	(7.035)	(3.679)	(9.539)	(1.834)
index_scad	-37.202***	-23.928***	-26.819**	-12.284***
	(9.486)	(5.335)	(10.321)	(1.194)
index_er	-10.267*	3.847	-3.614	-2.538***
	(5.110)	(2.371)	(4.203)	(0.722)
index_eo	29.123**	19.013***	23.666**	8.297***
	(9.962)	(4.517)	(6.930)	(0.436)
State Fixed-Effects	Yes	Yes	Yes	Yes
N	140	140	149	149
Adjusted R^2	0.233	0.715	0.441	0.569

Notes: ***Significant at 1 percent level.
   **Significant at 5 percent level.
   *Significant at 10 percent level.
   Standard errors clustered by State.

	Community Grants Open-Competitive - 2019 Election - Seat Type			
	Value	Count	Value	Count
	Pre-Election		Post-Election	
	(1)	(2)	(3)	(4)
govmarginal	0.461**	0.266***	0.875*	0.095
	(0.134)	(0.029)	(0.398)	(0.093)
govsafe	0.114	-0.054	-0.312	0.063
	(0.295)	(0.030)	(0.567)	(0.103)
nongovmarginal	-0.125	0.021	1.287***	0.133**
	(0.248)	(0.036)	(0.346)	(0.052)
enrolment	6.001***	1.849	-0.138	0.497**
	(1.299)	(1.365)	(0.851)	(0.168)
capital	1.704***	0.686**	1.596**	1.010***
	(0.349)	(0.260)	(0.541)	(0.214)
index_scd	-20.199***	0.921	37.809***	15.770***
	(5.079)	(2.297)	(9.262)	(2.168)
index_scad	7.609	-11.432**	-81.046***	-29.669***
	(9.228)	(4.004)	(16.701)	(2.507)
index_er	-1.058	-0.321	-10.124	-4.199***
	(1.536)	(1.931)	(6.741)	(0.940)
index_eo	8.836	9.358**	54.652**	18.046***
	(6.847)	(2.704)	(16.094)	(1.580)
State Fixed-Effects	Yes	Yes	Yes	Yes
N	140	140	149	149
Adjusted R^2	0.427	0.607	0.295	0.679

Notes: *** *Significant at 1 percent level.*
*** *Significant at 5 percent level.*
* *Significant at 10 percent level.*
Standard errors clustered by State.

DISTRIBUTIVE POLITICS AND COMMONWEALTH COMMUNITY GRANTS: THE INFLUENCE OF FEDERAL ELECTIONS

	Community Grants Targeted - 2019 Election - Seat Type			
	Value	Count	Value	Count
	Pre-Election		Post-Election	
	(1)	(2)	(3)	(4)
govmarginal	0.775***	0.304***	-0.214	0.019
	(0.140)	(0.025)	(0.619)	(0.068)
govsafe	0.737***	0.187**	-0.002	0.141**
	(0.180)	(0.078)	(0.362)	(0.052)
nongovmarginal	0.299	0.157*	0.004	0.144
	(0.246)	(0.077)	(0.421)	(0.090)
enrolment	4.460**	0.709	1.377*	0.669**
	(1.571)	(0.652)	(0.657)	(0.227)
capital	1.492*	0.483	2.186***	0.672**
	(0.722)	(0.282)	(0.268)	(0.212)
index_scd	-3.790	4.084	2.196	5.698*
	(16.166)	(3.404)	(13.835)	(2.900)
index_scad	-7.449	-5.400	-18.292	-12.905***
	(25.481)	(3.816)	(14.595)	(2.377)
index_er	-8.573**	-3.527**	-7.029*	-2.072
	(3.286)	(1.182)	(3.657)	(1.368)
index_eo	16.386	4.368**	22.257***	8.657***
	(12.447)	(1.393)	(5.497)	(1.333)
State Fixed-Effects	Yes	Yes	Yes	Yes
N	140	140	149	149
Adjusted R^2	0.485	0.471	0.486	0.457

Notes: *****Significant at 1 percent level.*
*****Significant at 5 percent level.*
***Significant at 10 percent level.*
Standard errors clustered by State.

	Business - 2019 Election - Seat Type			
	Value	Count	Value	Count
	Pre-Election		Post-Election	
	(1)	(2)	(3)	(4)
govmarginal	-1.610	-0.257	-0.688	-0.101
	(2.059)	(0.261)	(0.451)	(0.115)
govsafe	1.264	0.109	1.136	0.092
	(1.937)	(0.204)	(1.881)	(0.202)
nongovmarginal	-0.301	-0.151	-0.363	-0.113
	(2.011)	(0.122)	(2.292)	(0.309)
enrolment	-4.772	-0.290	3.347	0.459
	(9.055)	(0.957)	(1.814)	(0.363)
capital	7.800**	1.333***	3.345**	0.634*
	(2.609)	(0.337)	(1.395)	(0.327)
index_scd	33.414	3.320	18.188	3.116
	(105.783)	(6.376)	(53.011)	(6.632)
index_scad	-59.043	-3.117	93.601**	11.097***
	(49.474)	(6.349)	(28.031)	(2.442)
index_er	-10.638	-2.052	-54.952**	-7.525**
	(61.315)	(5.117)	(22.262)	(3.074)
index_eo	41.314	2.265	-58.361	-6.880*
	(53.295)	(5.689)	(37.277)	(3.430)
State Fixed-Effects	Yes	Yes	Yes	Yes
N	140	140	149	149
Adjusted R^2	0.067	0.314	0.102	0.277

Notes: *** *Significant at 1 percent level.*
**Significant at 5 percent level.*
Significant at 10 percent level.
Standard errors clustered by State.

DISTRIBUTIVE POLITICS AND COMMONWEALTH COMMUNITY GRANTS: THE INFLUENCE OF FEDERAL ELECTIONS

	Discretionary - 2019 Election - Seat Type			
	Value	Count	Value	Count
	Pre-Election		Post-Election	
	(1)	(2)	(3)	(4)
govmarginal	-0.376	0.194	1.066	0.169
	(2.729)	(0.439)	(0.767)	(0.100)
govsafe	1.166	0.217	0.661	-0.010
	(1.345)	(0.144)	(1.112)	(0.132)
nongovmarginal	-0.769	-0.145	1.556	0.326
	(0.680)	(0.133)	(1.194)	(0.172)
enrolment	16.719	2.096	0.897	0.207
	(12.060)	(1.551)	(6.605)	(0.541)
capital	0.205	0.541**	1.853	0.836*
	(1.183)	(0.214)	(1.334)	(0.383)
index_scd	26.521	7.625	26.553	13.325**
	(59.856)	(5.894)	(35.299)	(5.577)
index_scad	-68.690	-3.599	-22.318	-5.948
	(94.714)	(9.497)	(49.195)	(9.792)
index_er	-32.453**	-7.977***	-29.387	-8.694*
	(12.186)	(2.109)	(15.816)	(3.695)
index_eo	56.311	1.701	23.711	1.035
	(45.827)	(4.652)	(34.396)	(7.825)
State Fixed-Effects	Yes	Yes	Yes	Yes
N	140	140	149	149
Adjusted R^2	0.251	0.377	0.176	0.412

Notes: ****Significant at 1 percent level.*
**Significant at 5 percent level.
*Significant at 10 percent level.
Standard errors clustered by State.

	Value	Count	Value	Count
Research - 2019 Election - Seat Type				
	Value	Count	Value	Count
	Pre-Election		**Post-Election**	
	(1)	(2)	(3)	(4)
govmarginal	-2.321	-0.593*	-1.760	-0.398
	(2.031)	(0.262)	(1.488)	(0.212)
govsafe	-0.695	-0.141	1.085	0.060
	(2.117)	(0.380)	(0.835)	(0.112)
nongovmarginal	0.384	-0.244	3.603	0.670
	(2.417)	(0.446)	(2.060)	(0.504)
enrolment	3.996	1.110	-8.155	-0.872
	(8.560)	(1.830)	(5.895)	(1.349)
capital	5.290	1.892*	8.050**	2.378**
	(3.211)	(0.854)	(2.783)	(0.731)
index_scd	8.397	4.381	90.867*	12.506
	(55.929)	(6.102)	(43.648)	(6.621)
index_scad	-6.420	6.358	-43.808*	-0.494
	(40.157)	(7.581)	(22.063)	(4.537)
index_er	-33.215	-12.960**	-54.198**	-12.750***
	(25.825)	(3.851)	(18.311)	(2.331)
index_eo	26.420	1.002	14.091	1.454
	(48.111)	(5.586)	(30.890)	(3.409)
State Fixed-Effects	Yes	Yes	Yes	Yes
N	140	140	149	149
Adjusted R^2	0.102	0.308	0.225	0.347

Notes: ****Significant at 1 percent level.*
**Significant at 5 percent level.
*Significant at 10 percent level.
Standard errors clustered by State.

Appendix C.

Regression Results - 2022 Federal Election

	Community Grants - 2022 Election - Seat Type			
	Value	Count	Value	Count
	Pre-Election		Post-Election	
	(1)	(2)	(3)	(4)
govmarginal	-0.117	0.014	0.103	0.173
	(0.257)	(0.081)	(0.301)	(0.133)
govsafe	0.039	0.138*	0.348	0.197
	(0.113)	(0.072)	(0.239)	(0.142)
nongovmarginal	0.329	0.139	0.310	0.275***
	(0.305)	(0.083)	(0.311)	(0.065)
enrolment	0.853	0.762***	1.221	1.758**
	(0.517)	(0.142)	(1.184)	(0.587)
capital	1.560***	0.776**	1.476**	0.942***
	(0.385)	(0.241)	(0.469)	(0.202)
index_scd	-3.197	9.209**	13.707**	5.733**
	(10.001)	(3.529)	(4.222)	(2.061)
index_scad	-15.355*	-18.300***	-17.672**	-9.947***
	(6.680)	(4.143)	(6.005)	(2.457)
index_er	0.917	-1.954*	-11.817***	-5.018**
	(3.311)	(0.842)	(1.272)	(1.515)
index_eo	17.772***	10.579***	15.273***	7.864***
	(2.919)	(1.259)	(3.630)	(1.208)
State Fixed-Effects	Yes	Yes	Yes	Yes
N	149	149	145	145
Adjusted R^2	0.479	0.684	0.457	0.672

Notes: *** *Significant at 1 percent level.*
*** *Significant at 5 percent level.*
* *Significant at 10 percent level.*
Standard errors clustered by State.

	Community Grants Ad Hoc - 2022 Election - Seat Type			
	Value	**Count**	**Value**	**Count**
	Pre-Election		**Post-Election**	
	(1)	**(2)**	**(3)**	**(4)**
govmarginal	1.128	0.242	-2.238*	-0.279*
	(0.703)	(0.272)	(1.169)	(0.132)
govsafe	0.397	0.087	-1.140	-0.073
	(0.450)	(0.220)	(1.577)	(0.128)
nongovmarginal	-0.780	-0.110	0.198	0.036
	(0.505)	(0.085)	(0.423)	(0.213)
enrolment	-3.184	-0.262	-1.709	0.607
	(3.828)	(0.277)	(4.797)	(0.693)
capital	2.102*	0.843**	1.016*	0.883***
	(0.912)	(0.349)	(0.517)	(0.194)
index_scd	-15.379	-7.218	70.055**	0.960
	(34.823)	(4.056)	(21.803)	(3.458)
index_scad	-23.450	-0.013	-90.669*	-1.677
	(62.250)	(5.255)	(43.473)	(7.130)
index_er	-6.612	0.024	-45.698***	-4.268*
	(18.395)	(2.860)	(5.883)	(2.063)
index_eo	49.321	7.740	70.172*	4.876
	(49.094)	(5.202)	(32.239)	(5.997)
State Fixed-Effects	Yes	Yes	Yes	Yes
N	149	149	145	145
Adjusted R^2	0.124	0.349	0.279	0.461

Notes: *****Significant at 1 percent level.*
*****Significant at 5 percent level.*
****Significant at 10 percent level.*
Standard errors clustered by State.

DISTRIBUTIVE POLITICS AND COMMONWEALTH COMMUNITY GRANTS: THE INFLUENCE OF FEDERAL ELECTIONS

	Community Grants Non-Competitive - 2022 Election - Seat Type			
	Value	Count	Value	Count
	Pre-Election		Post-Election	
	(1)	(2)	(3)	(4)
govmarginal	-0.222	-0.005	0.029	0.108
	(0.418)	(0.063)	(0.599)	(0.137)
govsafe	-0.088	0.005	0.484	0.017
	(0.177)	(0.066)	(0.532)	(0.108)
nongovmarginal	0.227	0.058	0.715	-0.032
	(0.331)	(0.049)	(0.385)	(0.081)
enrolment	-0.609	0.434***	2.135	1.167*
	(1.294)	(0.114)	(1.642)	(0.503)
capital	1.847***	0.398**	1.753**	0.542**
	(0.460)	(0.120)	(0.733)	(0.213)
index_scd	10.395	8.554**	32.214*	8.577*
	(7.567)	(2.945)	(14.926)	(4.280)
index_scad	-21.690**	-10.298**	-17.850	-9.163*
	(8.322)	(3.101)	(19.382)	(4.289)
index_er	-9.877	-3.738***	-24.361***	-4.918**
	(5.527)	(0.630)	(4.218)	(1.860)
index_eo	22.499***	5.168***	8.602	4.556
	(6.036)	(0.887)	(9.618)	(2.662)
State Fixed-Effects	Yes	Yes	Yes	Yes
N	149	149	145	145
Adjusted R^2	0.370	0.521	0.409	0.481

Notes: *** *Significant at 1 percent level.*
   ** *Significant at 5 percent level.*
    * *Significant at 10 percent level.*
       Standard errors clustered by State.

	Community Grants Open-Competitive - 2022 Election - Seat Type			
	Value	Count	Value	Count
	Pre-Election		Post-Election	
	(1)	(2)	(3)	(4)
govmarginal	-0.168	-0.174	0.810**	-0.009
	(0.704)	(0.180)	(0.248)	(0.253)
govsafe	0.638**	0.196*	0.410	0.269*
	(0.246)	(0.091)	(0.328)	(0.123)
nongovmarginal	1.181***	0.289**	0.170	0.297**
	(0.202)	(0.105)	(0.389)	(0.110)
enrolment	3.753	1.368**	4.610	2.859***
	(2.397)	(0.463)	(4.089)	(0.458)
capital	2.192***	1.189***	1.497*	1.072***
	(0.344)	(0.259)	(0.673)	(0.241)
index_scd	5.103	8.675*	44.034***	7.621**
	(6.962)	(3.746)	(9.023)	(3.129)
index_scad	-31.132**	-32.435***	-94.040*	-25.819*
	(11.317)	(3.035)	(40.888)	(11.483)
index_er	-0.053	2.177	-15.846***	-3.168*
	(7.063)	(1.399)	(2.974)	(1.449)
index_eo	23.636**	20.931***	62.136*	19.079**
	(8.374)	(1.427)	(31.240)	(7.291)
State Fixed-Effects	Yes	Yes	Yes	Yes
N	149	149	145	145
Adjusted R^2	0.231	0.663	0.244	0.569

Notes: *** *Significant at 1 percent level.*
** *Significant at 5 percent level.*
* *Significant at 10 percent level.*
Standard errors clustered by State.

DISTRIBUTIVE POLITICS AND COMMONWEALTH COMMUNITY GRANTS: THE INFLUENCE OF FEDERAL ELECTIONS

	Community Grants Targeted - 2022 Election - Seat Type			
	Value	Count	Value	Count
	Pre-Election		Post-Election	
	(1)	(2)	(3)	(4)
govmarginal	2.079	0.105	1.811	0.198
	(1.638)	(0.156)	(1.870)	(0.280)
govsafe	2.310*	0.470**	2.676**	0.353*
	(1.061)	(0.174)	(0.776)	(0.158)
nongovmarginal	2.214***	0.431***	1.987	0.413*
	(0.434)	(0.120)	(1.066)	(0.208)
enrolment	2.999	1.747***	8.655	2.546**
	(3.132)	(0.356)	(6.801)	(0.920)
capital	2.439***	1.495***	2.524*	1.432***
	(0.610)	(0.416)	(1.091)	(0.227)
index_scd	93.804***	19.695***	98.464**	4.486
	(20.307)	(4.298)	(32.227)	(2.785)
index_scad	-98.815***	-38.471***	-153.380**	-5.497
	(28.099)	(7.463)	(52.749)	(3.631)
index_er	-31.187***	-1.670	-53.128***	-7.687***
	(8.566)	(2.762)	(7.095)	(1.604)
index_eo	33.922**	18.905**	101.536***	6.533**
	(10.804)	(5.562)	(28.286)	(2.554)
State Fixed-Effects	Yes	Yes	Yes	Yes
N	149	149	145	145
Adjusted R^2	0.233	0.469	0.329	0.575

Notes: *** *Significant at 1 percent level.*
*** Significant at 5 percent level.*
** Significant at 10 percent level.*
Standard errors clustered by State.

	Business - 2022 Election - Seat Type			
	Value	Count	Value	Count
	Pre-Election		Post-Election	
	(1)	(2)	(3)	(4)
govmarginal	0.336	0.107	3.156***	0.196**
	(0.952)	(0.120)	(0.833)	(0.078)
govsafe	-0.008	0.153*	0.801	0.073
	(0.554)	(0.068)	(1.813)	(0.121)
nongovmarginal	-0.164	0.183	0.970	0.386**
	(1.660)	(0.307)	(0.737)	(0.110)
enrolment	0.529	0.676	12.995	1.303
	(2.731)	(0.378)	(8.685)	(0.909)
capital	2.416	0.759	0.321	0.643
	(2.685)	(0.412)	(3.204)	(0.363)
index_scd	16.348	4.721**	-49.072*	-5.217*
	(16.249)	(1.958)	(22.799)	(2.607)
index_scad	50.708**	17.202***	143.556	14.757
	(17.830)	(3.139)	(83.297)	(10.026)
index_er	-30.669***	-10.711***	-39.660*	-2.621
	(7.044)	(1.199)	(17.848)	(1.571)
index_eo	-35.838	-11.635***	-64.922	-7.772
	(23.585)	(3.101)	(63.086)	(7.119)
State Fixed-Effects	Yes	Yes	Yes	Yes
N	149	149	145	145
Adjusted R^2	0.090	0.295	0.126	0.241

Notes: *** *Significant at 1 percent level.*
*** *Significant at 5 percent level.*
* *Significant at 10 percent level.*
Standard errors clustered by State.

DISTRIBUTIVE POLITICS AND COMMONWEALTH COMMUNITY GRANTS: THE INFLUENCE OF FEDERAL ELECTIONS

	Discretionary - 2022 Election - Seat Type			
	Value	Count	Value	Count
	Pre-Election		Post-Election	
	(1)	(2)	(3)	(4)
govmarginal	2.371	0.108	-0.707	-0.031
	(2.618)	(0.182)	(0.386)	(0.017)
govsafe	1.163	0.130	0.249	0.015
	(1.607)	(0.073)	(0.549)	(0.027)
nongovmarginal	-2.285	-0.098	-0.599	-0.026
	(1.667)	(0.127)	(0.451)	(0.019)
enrolment	5.579	0.428	-3.621	-0.180
	(4.272)	(0.250)	(4.393)	(0.209)
capital	-0.125	0.091	1.041	0.056
	(2.558)	(0.181)	(2.321)	(0.109)
index_scd	58.324	5.726*	17.738	0.863
	(48.278)	(2.982)	(14.982)	(0.692)
index_scad	-124.349***	-6.571	-41.317	-2.153
	(33.522)	(3.576)	(39.939)	(1.965)
index_er	-30.186	-3.661**	1.720	0.130
	(23.925)	(1.385)	(9.435)	(0.427)
index_eo	91.579*	4.148	24.959	1.316
	(46.889)	(3.638)	(25.228)	(1.252)
State Fixed-Effects	Yes	Yes	Yes	Yes
N	149	149	145	145
Adjusted R²	0.199	0.200	-0.016	-0.010

Notes: *** *Significant at 1 percent level.*
   ** *Significant at 5 percent level.*
   * *Significant at 10 percent level.*
   Standard errors clustered by State.

	Research - 2022 Election - Seat Type			
	Value	Count	Value	Count
	Pre-Election		Post-Election	
	(1)	(2)	(3)	(4)
govmarginal	-1.690	-0.325	-2.319	-0.407*
	(1.576)	(0.203)	(1.490)	(0.181)
govsafe	0.836	0.055	0.376	-0.062
	(0.817)	(0.115)	(0.948)	(0.102)
nongovmarginal	3.429	0.702	3.531	0.705
	(2.095)	(0.492)	(2.233)	(0.523)
enrolment	-7.499	-0.853	-7.409	0.136
	(5.939)	(1.364)	(9.128)	(1.968)
capital	8.338**	2.419**	6.486	2.295**
	(2.937)	(0.724)	(3.741)	(0.710)
index_scd	64.631**	9.389	92.257***	9.153
	(26.157)	(5.164)	(23.404)	(5.161)
index_scad	-18.144	-0.502	-28.940	4.553
	(42.890)	(4.375)	(46.280)	(8.188)
index_er	-45.181***	-10.748***	-64.520***	-11.837***
	(10.377)	(2.501)	(7.847)	(1.601)
index_eo	5.464	2.592	7.273	-2.138
	(37.116)	(2.267)	(44.769)	(4.398)
State Fixed-Effects	Yes	Yes	Yes	Yes
N	149	149	145	145
Adjusted R^2	0.194	0.355	0.238	0.380

Notes: ****Significant at 1 percent level.*
**Significant at 5 percent level.
*Significant at 10 percent level.
Standard errors clustered by State.

Appendix D.

Regression Results - 2025 Federal Election

	Community Grants - 2025 Election - Seat Type	
	Value	**Count**
	Pre-Election	
	(1)	**(2)**
govmarginal	0.073	0.212**
	(0.348)	(0.081)
govsafe	0.565	0.247*
	(0.326)	(0.129)
nongovmarginal	0.061	0.278**
	(0.585)	(0.108)
enrolment	7.467***	3.056***
	(1.459)	(0.565)
capital	0.035	1.278***
	(0.535)	(0.268)
index_scd	-0.767	7.477**
	(6.847)	(2.859)
index_scad	-38.086**	-18.783***
	(11.276)	(2.551)
index_er	-11.160**	-5.397***
	(3.340)	(1.311)
index_eo	43.370***	14.174***
	(8.141)	(1.556)
State Fixed-Effects	Yes	Yes
N	145	145
Adjusted R^2	0.374	0.705

Notes: *** *Significant at 1 percent level.*
** *Significant at 5 percent level.*
* *Significant at 10 percent level.*
Standard errors clustered by State.

	Community Grants Ad Hoc - 2025 Election - Seat Type	
	Value	**Count**
	Pre-Election	
	(1)	**(2)**
govmarginal	1.836	-0.003
	(2.364)	(0.153)
govsafe	0.149	-0.049
	(1.238)	(0.158)
nongovmarginal	0.371	0.125
	(1.142)	(0.143)
enrolment	1.545	0.902
	(7.111)	(0.840)
capital	5.212**	0.914***
	(1.681)	(0.249)
index_scd	85.204**	3.783
	(26.385)	(3.709)
index_scad	-112.320*	-0.442
	(55.259)	(6.687)
index_er	-42.345**	-3.438***
	(12.572)	(0.843)
index_eo	69.724*	-0.480
	(35.425)	(3.783)
State Fixed-Effects	Yes	Yes
N	145	145
Adjusted R^2	0.220	0.319

Notes: *** *Significant at 1 percent level.*
** *Significant at 5 percent level.*
* *Significant at 10 percent level.*
Standard errors clustered by State.

	Community Grants Non-Competitive - 2025 Election - Seat Type	
	Value	**Count**
	Pre-Election	
	(1)	**(2)**
govmarginal	-1.754**	0.118
	(0.671)	(0.074)
govsafe	2.430	0.399
	(1.777)	(0.239)
nongovmarginal	-0.131	0.075
	(1.221)	(0.122)
enrolment	20.693*	4.891***
	(10.795)	(0.837)
capital	0.104	1.420***
	(1.149)	(0.249)
index_scd	85.314**	4.360
	(34.918)	(9.499)
index_scad	-234.023***	-19.563*
	(34.932)	(9.670)
index_er	-42.621**	-7.412**
	(14.663)	(2.628)
index_eo	172.031***	18.187***
	(28.694)	(3.771)
State Fixed-Effects	Yes	Yes
N	145	145
Adjusted R^2	0.316	0.600

Notes: *** *Significant at 1 percent level.*
** *Significant at 5 percent level.*
* *Significant at 10 percent level.*
Standard errors clustered by State.

	Community Grants Open-Competitive - 2025 Election - Seat Type	
	Value	**Count**
	Pre-Election	
	(1)	**(2)**
govmarginal	-0.511	-0.119
	(1.277)	(0.169)
govsafe	-0.993*	-0.008
	(0.440)	(0.111)
nongovmarginal	1.051*	0.212
	(0.510)	(0.125)
enrolment	12.326***	2.847***
	(3.010)	(0.725)
capital	0.283	1.039***
	(1.500)	(0.295)
index_scd	40.833**	8.838
	(17.027)	(6.158)
index_scad	-61.136	-16.735
	(39.380)	(9.938)
index_er	-33.138***	-6.912**
	(6.405)	(2.160)
index_eo	42.889	12.503**
	(28.550)	(4.615)
State Fixed-Effects	Yes	Yes
N	145	145
Adjusted R^2	0.244	0.556

Notes: *** *Significant at 1 percent level.*
** *Significant at 5 percent level.*
* *Significant at 10 percent level.*
Standard errors clustered by State.

DISTRIBUTIVE POLITICS AND COMMONWEALTH COMMUNITY GRANTS: THE INFLUENCE OF FEDERAL ELECTIONS

	Community Grants Targeted - 2025 Election - Seat Type			Business - 2025 Election - Seat Type	
	Value	Count		Value	Count
	Pre-Election			Pre-Election	
	(1)	(2)		(1)	(2)
govmarginal	2.281	0.241	govmarginal	0.983	0.067
	(2.147)	(0.216)		(1.102)	(0.107)
govsafe	2.492	0.375**	govsafe	-0.045	-0.040
	(1.729)	(0.151)		(0.720)	(0.099)
nongovmarginal	-0.754	0.106	nongovmarginal	2.690	0.322
	(1.914)	(0.193)		(3.251)	(0.313)
enrolment	10.360	2.053*	enrolment	11.680***	1.310*
	(6.479)	(0.893)		(2.788)	(0.643)
capital	3.573**	1.196***	capital	5.400*	0.406
	(1.304)	(0.243)		(2.776)	(0.223)
index_scd	48.719	2.780	index_scd	-7.449	-2.267
	(49.533)	(4.709)		(14.322)	(3.063)
index_scad	-134.374***	-9.966	index_scad	84.383**	13.472
	(31.064)	(5.322)		(32.260)	(7.706)
index_er	-26.429	-3.411	index_er	-28.208**	-2.087*
	(23.796)	(1.937)		(11.443)	(1.074)
index_eo	102.980***	8.700**	index_eo	-56.888*	-9.960*
	(18.612)	(3.488)		(27.327)	(5.191)
State Fixed-Effects	Yes	Yes	State Fixed-Effects	Yes	Yes
N	145	145	N	145	145
Adjusted R^2	0.180	0.358	Adjusted R^2	0.308	0.310

Notes: ***Significant at 1 percent level.
**Significant at 5 percent level.
*Significant at 10 percent level.
Standard errors clustered by State.

Notes: ***Significant at 1 percent level.
**Significant at 5 percent level.
*Significant at 10 percent level.
Standard errors clustered by State.

	Discretionary - 2025 Election - Seat Type	
	Value	**Count**
	Pre-Election	
	(1)	**(2)**
govmarginal	0.000	0.000
	(0.000)	(0.000)
govsafe	0.000	0.000
	(0.000)	(0.000)
nongovmarginal	0.000	0.000
	(0.000)	(0.000)
enrolment	0.000	0.000
	(0.000)	(0.000)
capital	0.000	0.000
	(0.000)	(0.000)
index_scd	0.000	0.000
	(0.000)	(0.000)
index_scad	0.000	0.000
	(0.000)	(0.000)
index_er	0.000	0.000
	(0.000)	(0.000)
index_eo	0.000	0.000
	(0.000)	(0.000)
State Fixed-Effects	Yes	Yes
N	145	145

Notes: ***Significant at 1 percent level.
**Significant at 5 percent level.
*Significant at 10 percent level.
Standard errors clustered by State.

	Research - 2025 Election - Seat Type	
	Value	**Count**
	Pre-Election	
	(1)	**(2)**
govmarginal	-1.803	-0.329
	(1.816)	(0.255)
govsafe	0.173	-0.002
	(0.922)	(0.150)
nongovmarginal	4.109	0.801
	(2.442)	(0.600)
enrolment	-6.933	0.249
	(7.060)	(1.633)
capital	6.888**	2.280***
	(2.826)	(0.630)
index_scd	81.881***	8.959
	(18.266)	(5.037)
index_scad	-45.369	3.462
	(44.583)	(7.763)
index_er	-48.713***	-11.007***
	(5.097)	(1.433)
index_eo	18.186	-1.800
	(40.844)	(5.009)
State Fixed-Effects	Yes	Yes
N	145	145
Adjusted R^2	0.217	0.336

Notes: ***Significant at 1 percent level.
**Significant at 5 percent level.
*Significant at 10 percent level.
Standard errors clustered by State.

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