

Factsheet: Pork Barrelling

Updated 2022

What is Pork Barrelling?

Pork barrelling can be defined as:

The spending of federal, state or local government money on programs for the purpose of influencing voters.

There is typically no consideration of fairness, transparency or value-for-money, and the allocation is rarely informed by an appropriate assessment process. It means all taxpayers pay for projects that benefit a few.

To say someone is using 'pork barrel politics' means government is spending public money raised from all taxpayers on programs to influence the votes of people who live in the political electorate to receive the benefit.

The benefit could take many forms such as:

- › Infrastructure projects for example construction of a hospital, school, sporting facility or car park.
- › The promise of jobs in the region for example a government call centre or construction of submarines.
- › Relocation of a government agency into another electorate.

A feature of many pork barrel projects is they are 'white elephant' projects (something expensive and useless) that are wasteful and will be under-utilised in the long-term.

A particularly prevalent form of pork barrelling is achieved through administration of discretionary grant programs, with the programs often being regional in nature and providing government ministers with discretion in determining which applicants receive grant funding.

Why is it called Pork Barrelling?

The term 'pork barrelling' is a political term referring to government spending for partisan purposes intended to benefit local constituents of a political electorate. In theory, the constituents supposedly benefit the politician and their political party by voting for the politician for their support of the electorate.

A barrel of pork was a common kitchen item in 1800s households and a measure of financial prosperity.

What are Pork Barrelling Principles?

As much as the word 'principle' and the term 'pork barrel' do not go together, there are some fundamental propositions pertaining to pork barrelling:

- › Announced close to or in anticipation of an election.
- › Serves a local interest.
- › Not awarded on merit.

- › Meant to influence voters, particularly marginal electorates the government wants to retain or win.

What is the Result?

The result of pork barrelling is:

- › Money is diverted from more deserving recipients.
- › Electorates which are not marginal miss out substantially or altogether.
- › Other electorates may be 'targeted' – whether marginal or not – to reward loyal electorates or discourage them from being 'disloyal', or by ministers to retain support in their own electorate.
- › Is done unashamedly by the government in power who will bluster they have not done anything wrong.
- › Often subject to later adverse reporting from the media and auditors-general which seldom stops it from happening again.
- › Diminishes respect for government which can lead to public resistance to comply with government rules.
- › Further diminishes respect for politicians who are already rated the most untrustworthy profession*.

* *Australia Reader's Digest, 2021*

What is wrong with Pork Barrelling?

Pork barrelling means other more deserving people miss out because of partisan political interference. From the very heart of a democratic society, pork barrelling:

- › Undermines trust in government and politicians.
- › Corrupts electoral politics.
- › Undermines balanced policy making.
- › Wastes public funds.
- › Undercuts traditional electoral concepts of equality of treatment and opportunity.

Pork barrelling is not limited to one side of politics and has occurred whoever is in government – however, it is not currently outlawed. But governments should be reasonably expected by the people to refrain from blatantly misusing public funds for partisan purposes which is what pork barrelling does.

The basic problem with pork barrelling is that it is generally seen by people as a dishonest activity. The word 'dishonest' can be defined as:

Behaving or prone to behave in an untrustworthy, deceitful or insincere way.

Pork barrelling is typically not illegal where expenditure is made and authorised within financial legislative, regulatory and administrative requirements for the jurisdiction and ministerial codes of conduct are observed. However, the administration is often deficient such as:

- › Not informed by an appropriate assessment process.
- › Awarding of projects is not to an appropriate evaluation standard nor is it merit-based.
- › Not designed to be open and transparent.

There is sometimes a fine line between pork barrelling and corrupt conduct. The latter is influenced by a range of factors including unjustified inconsistency in the treatment of merit-based advice, excessiveness, brazenness, timing and appearances.

Ministers can expose themselves to allegations of wrongdoing when they exercise discretion and ignore departmental advice on the merits of program applications, and the departure is unjustified or the justification is implausible.

The stance that partisan benefits are only incidental becomes dubious when the distribution is excessively skewed towards marginal or targeted electorates.

What can be done about Pork Barrelling?

The 'Commonwealth Electoral Act' section on 'bribery' states that in exchange for a vote:

'A person shall not ask for, receive or obtain, or offer or agree to ask for, or receive or obtain, any property or benefit of any kind, whether for the same or any other person.'

It then goes on to say:

'This section does not apply in relation to a declaration of public policy or a promise of public action.'

This means a declaration of public policy or a promise of public action is exempted – bribery is prohibited, but announcing a policy that some people might perceive to be a bribe is not.

Pork barrelling may contravene financial legislation and regulations governing the spending of funds by governments, such as the Australian Government 'Public Governance, Performance and Accountability Act 2013' (PGPA Act) and the 'Commonwealth Grants Rules and Guidelines 2017' (CGRGs). The PGPA Act requires a minister to only approve expenditure if they are satisfied, after making reasonable enquiries, that the expenditure would be efficient, effective, economical and ethical. The lack of civil or criminal penalties for breaching these duties is seen as limiting their effectiveness.

The States and Territories typically have legislation, regulation and policies regarding conduct by public officials and financial management that may impact on pork barrelling. The lack of action where rules appear to have been breached limits their effectiveness.

As can be seen in the examples shown below, there does not seem to be a lot that can be done about pork barrelling unless politicians are prepared to do the right thing, raise their ethics and integrity, and are prepared to be accountable for their actions.

A well-known anti-corruption organisation is Transparency International. Each year Transparency International produces its 'Corruption Perceptions Index'

ranking nations from least to most corrupt. In 2021, Denmark, Finland and New Zealand were ranked equal least corrupt countries (number 1) in the world. Australia was ranked equal number 18 (11 in 2020) but could improve transparency and potentially its international corruption ranking when the Australian Government established a strong federal integrity commission.

This could include pork barrelling in a federal integrity commission mandate to discourage governments from blatantly and excessively misusing public resources for partisan purposes. Australian States and Territories have their own government anti-corruption bodies.

In 2021, an Australian state government premier said: *"I don't think it would be a surprise to anybody that we throw money at seats to keep them."*

At the end of the day, people just want government to do the right thing and be accountable for their actions. Self-interest does not achieve this.

Notable Pork Barrelling Incidents

Sports Rorts 1993

A white board was used by an Australian Government minister to assess submissions for sport grant funding on the basis of verbal advice from ministerial staff. The white board was then erased without any permanent record retained on how the grants had been assessed.

Outcome

- › Minister unable to explain distribution of grants to marginal electorates held by the governing party.
- › Auditor-general could not find any documentation explaining rationale for how the grants were awarded.
- › Parliamentary committee found the actions were not illegal but administration was deficient.
- › Minister resigned from the ministry and from parliament.
- › By-election resulted in a 16% swing against the ex-minister's party.

Relocating Government Agency 2017

As part of an Australian Government decentralisation to regional areas agenda, the deputy prime minister announced an Australian Government agency would relocate from the nation's capital to a regional town located in the deputy prime minister's electorate.

Outcome

- › Agency moved from the nation's capital which itself is a designated regional area to a regional town 750 kilometres away.
- › A government cost-benefit analysis found there was no material economic advantage to support the relocation.
- › The agency offered reimbursement up to \$55,000 to staff to relocate, along with retention bonuses worth thousands of dollars.
- › A new agency headquarters needed to be constructed.
- › A government hearing was told agency staff had been working out of the local fast-food outlet because no building was available when they moved.
- › The agency lost more than half its workforce in two years who did not want to make the move.

Local Government 2019

An Australian state government premier intervened to change grant guidelines, resulting in one local government council receiving almost one-third of the entire program.

Outcome

- › Premier conceded grant scheme was used for pork barrelling, but that *“It’s not unique to our government.”*
- › In a parliamentary report about the grant scheme, the parliamentary committee chairperson commented:

“The Stronger Communities Fund tied grants round was an alarming example of the lack of transparency and accountability in NSW Government grant programs. The fund was originally established to assist councils created from the NSW Government’s failed council amalgamations, but morphed into a brazen pork-barrel scheme. Ultimately the Coalition designed a scheme with so few checks and balances that \$252 million of public money was handed out on a purely political basis to sort out the Coalition’s political problems, to gain an advantage in the 2019 state election and to punish any council that had objected to being forcibly merged. Astoundingly there was not even an attempt to assess whether or not these projects, or this scheme as a whole, provided an overall benefit to the public.”

Sports Rorts 2019

Auditor-general reported award of grant funding by an Australian Government minister was not informed by an appropriate assessment process and successful applications were not those that had been assessed as the most meritorious in relation to published program guidelines.

Outcome

- › The government investigated itself and found no basis for the suggestion political considerations were the primary determining factor for where the grants were awarded and did not unduly influence the decision-making process – the report has never been made public.
- › Minister resigned ministry – not for sports rorts but for failing to declare membership of a sporting club which benefited by receiving grant funding from the program.
- › Ex-minister reinstated to ministry in 2021.

Car Parks 2019

The Australian Government promised more car parks near existing train stations to get cars off the road by getting more people on to public transport. 77% of the proposed projects were in seats held by the government and 64% were in one State. A list of the top 20 marginal seats helped guide allocation of funding.

Outcome

- › Auditor-general found none of the awarded projects were determined by government department recommendation.
- › Awarding of projects was not to an appropriate standard or merit-based – it was not designed to be open or transparent.
- › The government deleted program announcements from their social media pages after adverse reports in the public domain.
- › An investigation of car park projects completed showed one project cost over three times the benchmark price for

a car park space – an expert said there was no logical reason for the cost to blow out to such a significant degree.

Useful References

- › ‘The 20 Critical Questions Series – What Directors should ask about Ethics and Fraud Control’, IIA-Australia
- › Factsheet ‘Conflicts of Interest’, IIA-Australia
- › Factsheet ‘Fraud and Corruption’, IIA-Australia
- › White Paper ‘Auditing Transparency’, IIA-Australia
- › White Paper ‘Conflicts of Interest – A Framework’, IIA-Australia
- › White Paper ‘Corruption Related Risk in Decision-making’, IIA-Australia
- › White Paper ‘Fraud and Corruption Risk Assessments’, IIA-Australia
- › White Paper ‘Fraud Prevention: 10 Action Steps’, IIA-Australia
- › White Paper ‘Fraud Risk Indicators’, IIA-Australia
- › White Paper ‘Whistleblowing Program’, IIA-Australia
- › ‘Fraud Examiners Manual’, Association of Certified Fraud Examiners
- › Australian Standard AS 8001–2021 ‘Fraud and Corruption Control’, Standards Australia
- › Transparency International website, www.transparency.org
- › The Australian Government Commonwealth Fraud Prevention Centre has guidance on how to counter fraud.
- › Australian State and Territory Governments have anti-corruption bodies that produce relevant guidance.
- › Many Australian State and Territory auditors-general have issued fraud and corruption guidance.
- › ‘Annual Brands Survey’, The Reader’s Digest

