



Summary of changes

Commonwealth Grants Rules and Principles 2024

Overview

This fact sheet summarises the differences between the *Commonwealth Grants Rules and Guidelines 2017* (CGRGs) and the *Commonwealth Grants Rules and Principles 2024* (CGRPs). The CGRPs will take effect from 1 October 2024 and replace the CGRGs.

The CGRPs are principles-based. However, the CGRPs contain specific **mandatory** requirements. The changes have been made to strengthen integrity, accountability and transparency in grants administration.

For more information visit www.finance.gov.au/government/commonwealth-grants or email grants@finance.gov.au.

Summary of key changes

Title	CGRG requirement	CGRP change/addition
Obligations on ministers and those briefing them		
Requirement to disclose and record material personal interests – officials and Ministerial Staff	The CGRGs do not include information or requirements for officials to record and disclose material personal interests, although these requirements apply under the <i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act) and PGPA Rule, and under the <i>Public Service Act 1999</i> . The CGRGs do not refer to existing obligations for ministerial staff to disclose and take reasonable steps to avoid conflicts of interest included in the Ministerial Staff Code of Conduct.	CGRPs paragraph 3.12 and new footnotes 28, 29 and 30 The CGRPs provide that: Accountable authorities and officials must disclose material personal interests, in relation to grants administration, under the PGPA Act and Rule. A similar requirement is contained in the Code of Conduct under the Public Service Act. The CGRPs note that ministerial staff must disclose and take reasonable steps to avoid any conflicts of interest under the Ministerial Staff Code of Conduct.
Officials’ advice to ministers	Under the CGRGs, when a minister is the decision maker for a grant opportunity, officials must provide written advice to the minister that, at a minimum:	CGRPs paragraph 4.7 In addition to the requirements that applied under the CGRGs, the CGRPs apply additional and changed requirements for officials

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	<ul style="list-style-type: none"> • states that the proposed expenditure is a grant. • provides information about the legal requirements that apply to the decision and the legal authority for the grant. • outlines the application and selection processes followed. • addresses the merits of the applications relative to the grant opportunity guidelines and the key principle of achieving value with relevant money. <p>Officials should at a minimum indicate which grant applications fully meet, partially meet or do not meet any of the selection criteria.</p> <p>Officials may include other specific recommendations.</p>	<p>when briefing a minister who is the decision maker for a grant opportunity.</p> <p>Officials must:</p> <ul style="list-style-type: none"> • provide advice on which applications fully meet, partially meet or do not meet any of the selection criteria. • indicate which of the applications can be supported within the available funding. • recommend that applications that do not meet any of the selection criteria be rejected. <p>Officials may include rankings of applications if appropriate.</p> <p>Officials should include any other specific recommendations about the grant applications. This could include recommendations based on other factors that may be taken into account as set out in the grant opportunity guidelines.</p>
<p>Obligations for ministers</p>	<p>Under the CGRGs, ministers must:</p> <ul style="list-style-type: none"> • not approve a grant without receiving written advice from officials that meets the requirements above. • record in writing the basis for approvals, addressing the merit of the approved grant relative to the grant opportunity guidelines and the principle of achieving value with relevant money. <p>Ministers may:</p> <ul style="list-style-type: none"> • approve grants that are not recommended by officials but must report decisions to approve grants that officials recommended be rejected to the Minister for Finance annually by 31 March each year. • approve grants within their own electorate. With limited exceptions, ministers must report these decisions to the Minister for Finance as soon as 	<p>CGRPs paragraphs 4.10–4.12</p> <p>In addition to the requirements that applied under the CGRGs, the CGRPs apply additional requirements for ministers who are decision makers for a grant.</p> <p>Ministers must also:</p> <ul style="list-style-type: none"> • record in writing the basis for not approving a grant that officials have recommended be approved. • report any own-electorate grants to the Minister for Finance as soon as practicable. • record in writing the basis for approving a grant that officials have recommended be rejected and report that decision to the Minister for Finance as soon as practicable. • record in writing and declare any conflicts of interest relating to a grant. <p>Under paragraph 4.13 the Minister for Finance must also table a copy of a report received under</p>

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	practicable after the decision is made.	paragraphs 4.11 and 4.12 in each House of Parliament as soon as practicable after the end of each quarter.
GrantConnect and transparency		
Publishing of grant opportunity guidelines	The CGRGs stated that: Grant opportunity guidelines must be made publicly available on GrantConnect, except where there is a specific policy reason to not publicise the grant opportunity guidelines or grants are provided on a one-off or ad hoc basis.	CGRPs paragraph 5.2 The exemption from publishing grant opportunity guidelines on GrantConnect for one-off ad hoc grants has been removed. The CGRPs include an additional requirement that publicly available information on grant opportunities must be the same as, or a subset of, the information published on GrantConnect.
Forecast opportunities	The CGRGs do not require the publication of forecasted grant opportunities.	CGRPs paragraph 5.3 The CGRPs encourage the development of forecast opportunities. Where forecasts are developed, these must be published on GrantConnect.
Reporting requirements for grant agreement variations	The CGRGs do not include specific requirements for grant agreement variations or reporting of variations. Resource Management Guide 421 indicates that entities should report grant variations 'where those variations involve additional payments of relevant money or significant extensions. Reportable variations include: <ul style="list-style-type: none"> • material increases to the dollar value of a grant. • extension of the grant activity into another financial year or change in organisation details. 	CGRPs paragraph 5.4 and 14.13-14.16 The CGRPs provide guidance on when grant variations may be used and reinforce that grant variations should not be used as an alternative to appropriately planning a new grant opportunity. Material variations must be reported on GrantConnect. Material variations include: <ul style="list-style-type: none"> • substantial additional payments of relevant money. • significant extensions of time (such as extensions into a new financial year). • changes to organisation details.
Linking grants awarded	The CGRGs do not require links between grant opportunity guidelines and grants awarded on GrantConnect.	CGRPs paragraph 5.4 The CGRPs require that grant award information on GrantConnect must include a link to the relevant grant opportunity guidelines where available.
Design and administration of grant opportunities		

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<p>New key principles – ‘merit-based processes’ and ‘consistency with grant guidelines and established processes’</p>	<p>The CGRGs set out seven key principles that officials must have regard to in grants administration:</p> <ul style="list-style-type: none"> • robust planning and design • collaboration and partnership • proportionality • an outcomes orientation • achieving value with relevant money • governance and accountability, and • probity and transparency. 	<p>CGRPs sections 11 and 13</p> <p>The CGRPs include two additional key principles:</p> <ul style="list-style-type: none"> • merit-based processes, and • consistency with grant guidelines and established processes. <p>Accountable authorities and officials must have regard to all nine key principles when administering grants. Accountable authorities and officials must also ensure that entity policies and processes align with the key principles.</p> <p><i>Merit-based processes (section 11)</i></p> <p>This principle states that officials should adopt processes that will promote open, transparent, competitive and equitable access to grants. Merit-based selection processes can achieve better outcomes and value with relevant money and should be used unless specifically agreed otherwise by a minister, accountable authority or delegate. If a method other than a competitive, merit-based selection process is proposed, the rationale for using the approach should be documented and included in the grant opportunity guidelines.</p> <p><i>Consistency with grant guidelines and established processes (section 13)</i></p> <p>This principle requires that grants are administered consistently with the relevant grant opportunity guidelines and other established processes. The selection processes, guidelines and associated grant agreements should reflect the policy intent of the grant opportunity. They should also align with an entity’s practices and procedures such as internal financial delegation instruments or accountable authority instructions. This helps to ensure consistent and efficient grants administration.</p>

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Documenting appropriate skills of officials	The CGRGs do not address documenting the appropriate skills and training of officials.	CGRPs paragraph 14.5 The CGRPs provide that: Entities should document the appropriate skills and/or training of officials involved in each phase of the grants lifecycle and facilitate suitable ongoing support to maintain standards and quality assurance over grants administration.
One-off ad hoc grants	The CGRGs provide the following definition of one-off ad hoc grants: 'A one-off or ad hoc grant generally does not involve planned selection processes, but is instead designed to meet a specific need, often due to urgency or other circumstances. These grants are generally not available to a range of potential grantees or on an ongoing basis.' Under the CGRGs there is no requirement to publish one-off ad hoc grants on GrantConnect.	CGRPs paragraph 2.4.c, glossary The CGRPs provide that it may be appropriate to award grants on a one-off ad hoc basis where all of the following circumstances apply: <ul style="list-style-type: none"> • there is an urgent need for payment to a person or body to address an unexpected or unforeseen need • there is not an opportunity to establish a competitive or other non-competitive process to consider potential applicants • the grant is to be made available only to one, or a very small number of, persons or bodies, and • the grant is not expected to be repeated or made on an ongoing basis. One-off ad hoc grant guidelines must be published on GrantConnect unless the Minister for Finance agrees to an exemption under paragraph 5.8 of the CGRPs.
Clarifications and definitions		
Obligations for third parties involved in grants administration	The CGRGs do not provide a definition of third parties and only include the following information in a footnote: 'Third parties, including external committees, non-government organisations and corporate Commonwealth entities, are required to adhere to applicable requirements of the CGRGs, where they undertake grants administration on behalf of the Commonwealth. Where a	CGRPs paragraphs 2.10, 2.11, footnote 19, and glossary The CGRPs define third parties as any person or entity involved in the grants administration process that is not a minister, accountable authority or official. Third parties include, but are not limited to: <ul style="list-style-type: none"> • external committees • parliamentarians • sub-contractors

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	<p>committee assesses applications against particular criteria or recommends supporting particular grant activities or distributing relevant money to grantees, committee or panel members should be treated as officials for the purposes of the CGRGs.’</p> <p>The CGRGs also provide that accountable authorities must ensure that any arrangement with a third party is in writing and requires the third party to apply the CGRGs.</p>	<ul style="list-style-type: none"> • other grantees • non-government organisations • corporate Commonwealth entities <p>where they undertake grants administration on behalf of the Commonwealth.</p> <p>The CGRPs specify that third parties that undertake any grants administration processes on behalf of government are required to adhere to the key principles and applicable requirements of the CGRPs and the published grant opportunity guidelines.</p>
<p>Selection processes and eligibility criteria</p>	<p>The CGRGs outline the options for selection processes and provide simple definitions to guide officials.</p>	<p>CGRPs paragraph 11.3 and glossary</p> <p>The CGRPs provide more detailed definitions of each selection process as well as clarification around eligibility criteria. This includes definitions of the following selection processes:</p> <ul style="list-style-type: none"> • open competitive • targeted or restricted competitive • non-competitive, open • closed non-competitive • demand-driven, and • one-off ad hoc (see above).
<p>Process for seeking an exemption to public reporting</p>	<p>The CGRGs outline the process for seeking an exemption to public reporting of grant information as follows:</p> <p>Where officials assess that publishing grant information in accordance with the CGRGs could adversely affect the achievement of government policy outcomes, the responsible minister may seek an exemption from the Minister for Finance. The responsible minister must write to the Minister for Finance detailing the rationale for exemption. Officials should consult with Finance before commencing this process.</p>	<p>CGRPs paragraph 5.8</p> <p>The CGRPs clarify the process for seeking an exemption to public reporting of grant information through wording changes. The CGRPs provide that:</p> <p>A minister may seek an exemption from publishing on GrantConnect from the Minister for Finance, where officials assess that publishing grant opportunity guidelines or information on grants awarded in accordance with the CGRPs could adversely affect the achievement of government policy outcomes, or where there is a specific policy reason to not publish. The responsible minister must write to the Minister for Finance detailing the rationale for</p>

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		exemption. Officials should consult with Finance before commencing this process.