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Senator the Hon Katy Gallagher
Minister for Finance
Minister for Women
Minister for the Public Service
Senator for the Australian Capital Territory

REF: MS24-000132

The Hon Anthony Albanese MP
Prime Minister
Parliament House
CANBERRA ACT 2600

Dear PM Minister

On 28 August 2023, I wrote to advise you of changes that I was proposing to make to the *Commonwealth Grants Rules and Guidelines* including that they be renamed the *Commonwealth Grants Rules and Principles* (CGRPs). Since that letter, my department has been working with my office to develop further changes to the draft CGRPs to reflect the outcomes of consultations with my colleagues.

I am writing to advise you of these further changes, which will:

- strengthen obligations on officials when briefing a minister as the approver of a grant, including to:
  - require officials to indicate which of the applications can be supported within the available funding (see paragraph 4.7b),
  - require officials to recommend that applications that do not meet any of the selection criteria be rejected (see paragraph 4.7c),
  - *encourage* (but not *require*) officials to include recommendations in relation to all applications (see paragraph 4.7d), and
- strengthen recording and reporting obligations for ministers, including to:
  - require ministers to record the basis for not approving any grants that officials recommend be approved (see paragraph 4.10c), and
  - require that the Minister for Finance must table a copy of a report received under paragraphs 4.11(a) (grants in minister's own electorate) and 4.12(a) (grants an official recommended be rejected) in each House of Parliament as soon as practicable after the end of each quarter (see paragraph 4.13).

A copy of the proposed CGRPs is enclosed for your information. The CGRPs seek to implement the Government's commitment to improving integrity, accountability and transparency and are a strengthening of the requirements in the current *Commonwealth Grants Rules and Guidelines*.

I intend to make the CGRPs in June 2024, to take effect from 1 October 2024, allowing time for entities and ministers to transition to the new arrangements. I will write to my ministerial colleagues to notify them of the changed arrangements in due course. Additionally, my department will use this period to provide support to ministers and entities to implement the new requirements.

Yours sincerely

Katy Gallagher

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19.6.24