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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

«Prefix» «First_Name» «Surname» «Post_nomial»
«Ministerial_Title»
Parliament House
CANBERRA ACT 2600

Dear «Salutation»

I am writing to advise you of changes to the grants framework to improve transparency, integrity, and accountability in grants administration, consistent with our commitment.

The *Commonwealth Grants Rules and Guidelines* (CGRGs) have been renamed the *Commonwealth Grants Rules and Principles* (CGRPs), emphasising the legislative requirement to comply with the rules and apply the principles.

New requirements that will impact ministers are outlined in the attached information sheet. These include:

- enhanced briefing requirements for officials, when ministers are the approver for a grant/s;
- clearer recording requirements for ministers when they award a grant/s, including for any conflicts of interest;
- more timely reporting obligations;
- increased transparency of ministerial decisions where a minister awards a grant/s in their own electorate or awards a grant/s that officials have recommended be rejected; and
- the inclusion of parliamentarians in the description of 'third parties' that undertake grants administration on behalf of the Commonwealth.

The new CGRPs will take effect from 1 September 2024. My department will use this period to provide support to ministers and entities to implement the new requirements.

We provide billions of dollars in funding each year through grants. These changes will help this funding to be allocated as effectively as possible to achieve positive policy outcomes for the Australian community, while providing appropriate levels of accountability and transparency. I encourage you and your agencies to build in sufficient time to meet the mandatory requirements of the grants framework and apply the key principles when planning, designing and delivering Commonwealth grants programs.

If you would like to receive a briefing on these changes or the grants framework more broadly from my Department, please contact Ms Tracey Carroll, First Assistant Secretary, Governance and Grants Division on s22 or at grants@finance.gov.au.

Yours sincerely

Katy Gallagher