

Explanatory Statement

Commonwealth Grant Guidelines

The instrument to which this explanatory statement relates

This explanatory statement relates to the “Commonwealth Grant Guidelines” (the instrument).

The legislative authority under which the instrument is made

Section 64(1) of the *Financial Management and Accountability Act 1997* provides that the regulations may authorise a Minister to issue guidelines to officials on matters within the Minister’s responsibility. Regulation 7A of the *Financial Management and Accountability Regulations 1997* enables the Finance Minister to issue guidelines (to be called the *Commonwealth Grant Guidelines*) about matters relating to Grants administration.

Purpose of the instrument

The *Commonwealth Grant Guidelines* establish the policy framework and articulate the Government’s expectations for all departments and agencies (agencies) subject to the *Financial Management and Accountability Act 1997* and their officials, when performing duties in relation to grant administration.

Background

On 30 June 2009, the Minister for Finance and Deregulation issued the *Commonwealth Grant Guidelines* to take effect on 1 July 2009.

Notes on the instrument

The *Commonwealth Grant Guidelines* apply to grants administration by agencies. Part 1 of the instrument sets out the purpose, scope and objectives of the Guidelines, the legislative and policy framework applying to grants administration, and public reporting requirements for grants. Part 2 of the instrument outlines non-mandatory sound practice guidance based on seven key principles established by the Australian Government.

Grants administration encompasses the whole process of granting activity, and includes planning and design; selection and decision-making; the making of a grant; the management of funding agreements; reporting and review and evaluation.

Agencies were consulted on the *Commonwealth Grant Guidelines* through their portfolio-level representative on a Grants Working Group established for that purpose.