

EXPLANATORY STATEMENT

Issued by the Authority of the Minister for Finance

Commonwealth Grants Rules and Guidelines 2017

The *Commonwealth Grants Rules and Guidelines 2017* (CGRGs) are issued by the Finance Minister under s105C(1) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). Under s105C(2) of the PGPA Act, the instrument is not subject to section 42 (disallowance) of the *Legislative Instruments Act 2003*. This instrument repeals The 2014 *Commonwealth Grants Rules and Guidelines* (F2014L00908).

The CGRGs establish the mandatory requirements and key principles that apply to all Commonwealth grants. This update implements a number of Government responses to Joint Committee of Public Accounts and Audit recommendations, clarifies existing legislative and policy requirements and reflects current terminology.

The CGRGs apply to Ministers, accountable authorities, and officials when performing duties in relation to grants administration.

Grants administration encompasses all processes involved in granting activities, and includes: planning; selection; establishing grants; the management of grant agreements; the ongoing relationship with grant recipients; reporting; and evaluation.

The CGRGs are divided into two parts. Part 1 contains the mandatory requirements of the instrument and sets out the legislative, policy and reporting requirements for grants administration. Part 2 of the instrument outlines the seven key principles of grants administration.

The CGRGs are supported by guidance available on the Department of Finance website at <http://www.finance.gov.au/>.

Consultation

The Minister for Finance approved the updated CGRGs.

All Commonwealth entities were consulted on the update to the CGRGs, including via a specific grants working group.