



October 2022

# Submission to the *Inquiry into Commonwealth Grants Administration*

## Parliamentary Joint Committee of Public Accounts and Audit

The Attorney-General's Department welcomes the Joint Committee of Public Accounts and Audit (JCPAA) inquiry into the administration of Commonwealth grants and consideration of how to strengthen the integrity and administration of grants.

### The Safer Communities Fund

Since 2016, a total of \$315.6 million - comprising \$295.7 million in grants and \$19.9 million in administration fees - has been allocated to the Safer Communities Fund, through more than 729 grants across six rounds.

Across the various grant opportunities, the program's objectives have included support to:

- community-based early intervention programs to divert at-risk youth from engaging in criminal activity or anti-social behaviour and improve life outcomes;
- councils, schools, pre-schools and community organisations to bolster security infrastructure, including installing fixed and mobile closed-circuit television, lighting, bollards and security guards.

The following departments have had policy responsibility for the Safer Communities Fund:

- the Attorney-General's Department (the department) administered Rounds One and Two;<sup>1</sup>
- the Department of Home Affairs administered Rounds Three to Six.<sup>2</sup>

In line with the Department of Finance's Streamlining Government Grants Administration policy, all rounds of the Safer Communities Fund have been delivered through the Business Grants Hub at the Department of Industry, Science and Resources (DISR).

Under these arrangements:

- the Business Grants Hub was responsible for assessing applications, providing the assessment result to the relevant policy department, and then negotiating and managing grant agreements with successful applicants; and

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<sup>1</sup> Policy responsibility transferred to the Department of Home Affairs under Administrative Arrangements Order (AAO) issued 20 December 2017.

<sup>2</sup> Policy responsibility transferred back to the Attorney-General's Department under AAO issued 1 June 2022. Since that date, there have been no further rounds of the Safer Communities Fund.

- the relevant lead department retained policy responsibility for the Safer Communities Fund (including development of grant opportunity guidelines, including eligibility and selection criteria) and provided the final funding recommendations to the Minister for decision.

The Business Grants Hub charges administration fees to the department on a cost recovery basis.

All grant opportunity guidelines and details of all grants awarded under the Safer Communities Fund are published on the Australian Government's grants website, GrantConnect, at [www.grants.gov.au](http://www.grants.gov.au).

### **Australian National Audit Office (ANAO) performance audit**

In 2021, the ANAO undertook a performance audit of the Safer Communities Fund. The purpose of the audit was to assess whether the award of funding under the Safer Communities Fund was effective and consistent with the Commonwealth Grant Rules and Guidelines.

The audit examined the award of funding under each of the eight selection processes under Safer Communities Fund Rounds One to Five. The audit scope did not include Round Six because applications to that round had not opened and no funding decisions had been made at the time the audit commenced.

The ANAO concluded the award of funding under the Safer Communities Fund was partly effective and partly consistent with the Commonwealth Grant Rules and Guidelines.

The full report, including the ANAO's analysis of the Safer Communities Fund and the Department of Home Affairs' response, can be accessed at: [www.anao.gov.au/work/performance-audit/award-funding-under-the-safer-communities-fund](http://www.anao.gov.au/work/performance-audit/award-funding-under-the-safer-communities-fund).

### ***ANAO recommendations***

To address these concerns, the ANAO made five recommendations, of which four were directed to the Department of Home Affairs and one was directed to the Business Grants Hub.

All recommendations were accepted by the Department of Home Affairs or the Business Grants Hub.<sup>3</sup>

The ANAO's recommendations are summarised below:

#### **Recommendation No. 1**

The Department of Home Affairs clearly identify in grant opportunity guidelines the entity that is responsible for making funding recommendations as well as the person responsible for making decisions about which grant applications will be approved.

**Department Response: *Agree***

#### **Recommendation No. 2**

The Department of Home Affairs require that the assessment of grant applications identify any ineligible expenditure so that the amount recommended for funding reflects only proposed expenditure that has been assessed as eligible.

**Department Response: *Agree***

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<sup>3</sup> Refer to *Award of Funding under the Safer Communities Fund*, Appendix 1 (Attachments A and B), available at: <https://www.anao.gov.au/work/performance-audit/award-funding-under-the-safer-communities-fund>

### **Recommendation 3**

The Department of Industry, Science, Energy and Resources clearly identify in the grant opportunity guidelines for competitive selection processes how applications that achieve the same score will be ranked.

**Department of Industry, Science, Energy and Resources Response: *Agree***

### **Recommendation No. 4**

When advising Ministers on the award of grant funding, the Department of Home Affairs provide information in its briefing that outlines the particular merits of eligible applications against the eligibility requirements, assessment criteria and any other factors relevant to decision making that were included in the grant opportunity guidelines.

**Department Response: *Agree***

### **Recommendation No. 5**

The Department of Home Affairs tailor the application approach and processes so that the full range of the target audience for each grant opportunity are aware of that funding is available and there are no perceived or actual barriers to entry. When there are multiple rounds of a program, the accessibility of the approach employed should be reviewed at the conclusion of each round.

**Department Response: *Agree***

## **Response to the audit report recommendations**

The department recognises the importance of ensuring the award of grant funding is effective and consistent with the principles set out in the Commonwealth Grant Rules and Guidelines.

As current policy owners of the Safer Communities Fund, the department will implement in full the ANAO's recommendations for any future community-based crime prevention grants program administered by the department.

### **Safer Communities Fund Round Six**

As noted above, Safer Communities Fund Round Six did not form part of the ANAO's audit as applications to that round had not opened and no funding decisions had been made at the time the audit commenced. Therefore to assist the JCPAA in its inquiry, the department provides the following information about Round Six.

Round Six comprised a total of \$135.5 million (including \$5.7 million in administration fees) allocated across two open and competitive grant opportunities (or 'streams'): early intervention and security infrastructure.

#### *Early Intervention*

Safer Communities Fund Round Six (Early Intervention) made grant funding of up to \$119.5 million available to eligible organisations that engaged in early intervention activities with vulnerable young people to prevent them from engaging in criminal activity or anti-social behaviour. Projects in this category included services to assist youth prepare for the workforce and assist vocational skills development, projects addressing school non-attendance, and projects providing greater opportunity for the at risk youth to engage in community activities, including sports or recreational activities.

The grant opportunity opened on 28 May 2021 and closed on 5 August 2021.

A total of 420 eligible applications seeking \$389,482,416 (GST exclusive) were received. Of these, 134 applications were approved for funding.

### *Infrastructure*

Safer Communities Fund Round Six (Infrastructure) made grant funding of up to \$10.3 million available to community organisations, places of worship, local councils, schools and pre-schools to help implement and bolster crime prevention and security initiatives. Projects in this category included infrastructure activities such as installing fixed and mobile CCTV cameras, security and alarm systems, security doors and, for schools and pre-schools, the employing and hiring of security guards.

The grant opportunity opened on 15 June 2021 and closed on 19 August 2021.

A total of 623 eligible applications seeking \$82,795,596 (GST exclusive) were received. Of these, 53 applications were approved for funding.

All applications were assessed by the Business Grants Hub on a competitive basis and in accordance with the eligibility and merit criteria set out in the published grant opportunity guidelines (at **Attachments A and B**).

Details of all grants awarded under the Safer Communities Fund Round Six have been published on the Australian Government's grants website, GrantConnect, at [www.grants.gov.au](http://www.grants.gov.au).