



SENATOR THE HON. KRISTINA KENEALLY

SENATOR FOR NEW SOUTH WALES
DEPUTY LABOR LEADER IN THE SENATE
SHADOW MINISTER FOR HOME AFFAIRS
SHADOW MINISTER FOR IMMIGRATION AND CITIZENSHIP



Thursday, 11 February 2021

Mr Grant Hehir
Auditor-General for Australia
GPO Box 707
CANBERRA ACT 2601

By email: grant.hehir@anao.gov.au

Dear Mr Hehir

On 10 February 2021 the Australian Broadcasting Corporation's 7.30 program broadcast allegations of serious irregularities in the awarding of grants under round three of the Safer Communities Fund by the Minister for Home Affairs, the Hon. Peter Dutton MP.

These allegations, based on documents obtained by the ABC under the *Freedom of Information Act 1984*, include:

- An arbitrary reduction in funding to 19 organisations recommended for funding by officials who had undertaken a merit-based assessment process consistent with the *Commonwealth Grant Rules and Guidelines* and the *Public Governance, Performance and Accountability Act 2013*;
- A re-prioritisation of other grant recipients based on undisclosed criteria with no apparent regard for the outcome of the merit-based assessment process undertaken by officials; and
- The announcement of two grants in a marginal seat before program guidelines were written and before a merit-based assessment had been undertaken – followed by the award of these grants despite advice from officials that the projects did not represent value for money and were not recommended.

According to the ABC, more than 90 per cent of all Safer Communities Fund round three grants approved ahead of the 2019 Federal Election were in Coalition or marginal Labor and independent seats.

Further, the 7.30 program reported that Mr Dutton made a discretionary grant of \$880,000 out of a proceeds of crime fund to an organisation that had made a proximate donation to the Liberal National Party in support of Mr Dutton.

Online reporting by the ABC contains further detail about the circumstances relating to the awarding of the grants.

I am deeply concerned about the irregularities reported by the ABC.

Just last year in your report to the Parliament on the award of funding under the Community Sport Infrastructure Program you identified analogous distortions in the grant process ahead of the 2019 Federal Election.

I would be grateful if you would consider conducting a performance audit of the Safer Communities Fund and the awarding of discretionary grants from the proceeds of crime.

Notwithstanding the budget restraints imposed on your office by the Morrison Government, I consider the work proposed a high priority ahead of the next Federal Election to ensure public money is not again treated as Liberal Party money at the expense of the public good.

Kind regards



Kristina Keneally

Deputy Labor Leader in the Senate
Shadow Minister for Home Affairs
Shadow Minister for Immigration and Citizenship
Shadow Minister for Government Accountability
Senator for New South Wales