

# Council

# Grants



# **Strengthening Oversight and Integrity in Local Government Grants Administration**

Parliamentary Presentation | March 2025

# Former mayor who misled community grants program still sitting on Melbourne council

By Margaret Paul Law, Crime and Justice

Sat 12 Mar 2022



Councillor and former Moonee Valley mayor Cam Nation pleaded guilty in the Broadmeadows Magistrates' Court. (City of Moo)

# Audit finds lack of fraud controls over council grant programs

by Judy Skatsoon by lchen5343 MAY 12, 2022



News > Victoria

EXCLUSIVE

## City of Melbourne's bike lane rollout bankrolled by pandemic recovery fund

A \$100m recovery scheme aimed at kick-starting the city economy post-pandemic by paying for events and helping businesses was also used to rollout bike lanes and complete street projects.

by Ian Royall and Laura Placella

3 min read January 20, 2025 - 5:00AM

Herald Sun

133 Comments

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EXCLUSIVE

## Stonnington councillors sign off on community grants despite watchdog probe

Stonnington councillors voted to approve two community grants worth tens of thousands of dollars despite the application process being under investigation.



Ian Royall

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@IanRoyall 2 min read August 16, 2022 - 5:00PM

Herald Sun



## 'Handed over': Ten Victorian councils blindsided by sweeping Aboriginal land rights deal

An Aboriginal group would be given "unprecedented" control over 10 Victorian councils under sweeping proposals in a secret deal signed by the Andrews government.



Frank Chung

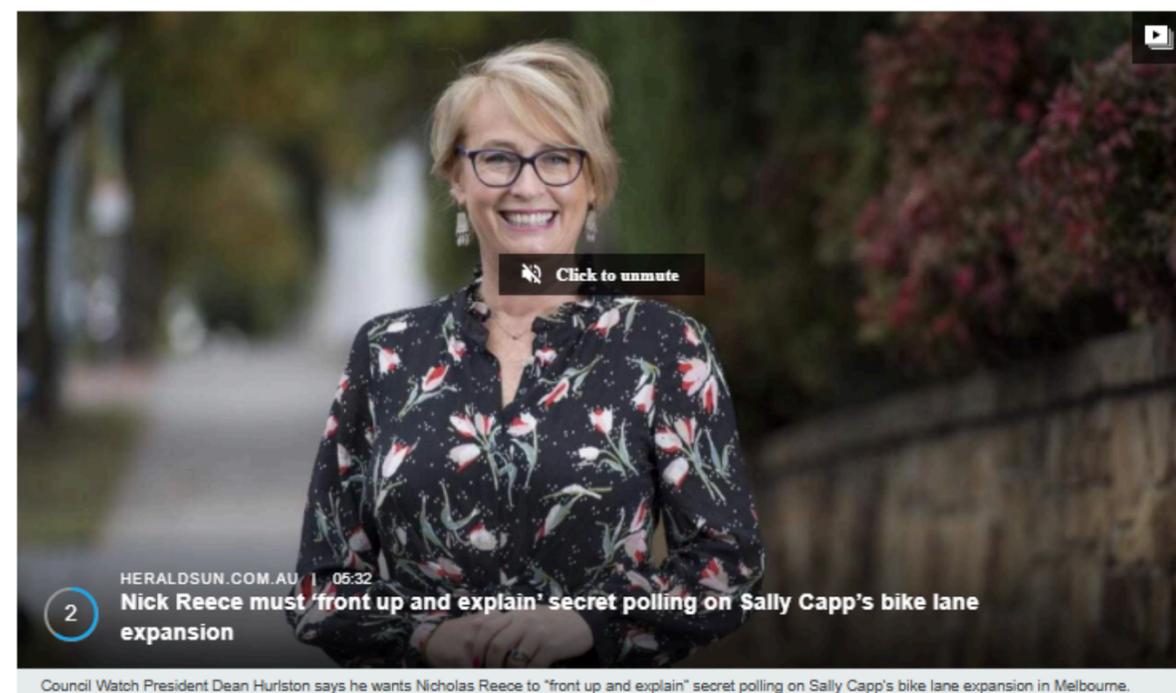
@franks\_chung 10 min read August 2, 2023 - 9:15AM

news.com.au

2630 Comments



Nationals Senator Matt Canavan says the new Aboriginal cultural heritage laws in Western Australia are causing a massive amount of "uncertainty and anxiety" for farmers and landowners.



HERALDSUN.COM.AU | 05:32  
2 Nick Reece must 'front up and explain' secret polling on Sally Capp's bike lane expansion

Council Watch President Dean Hurlston says he wants Nicholas Reece to "front up and explain" secret polling on Sally Capp's bike lane expansion in Melbourne.

# Executive Summary

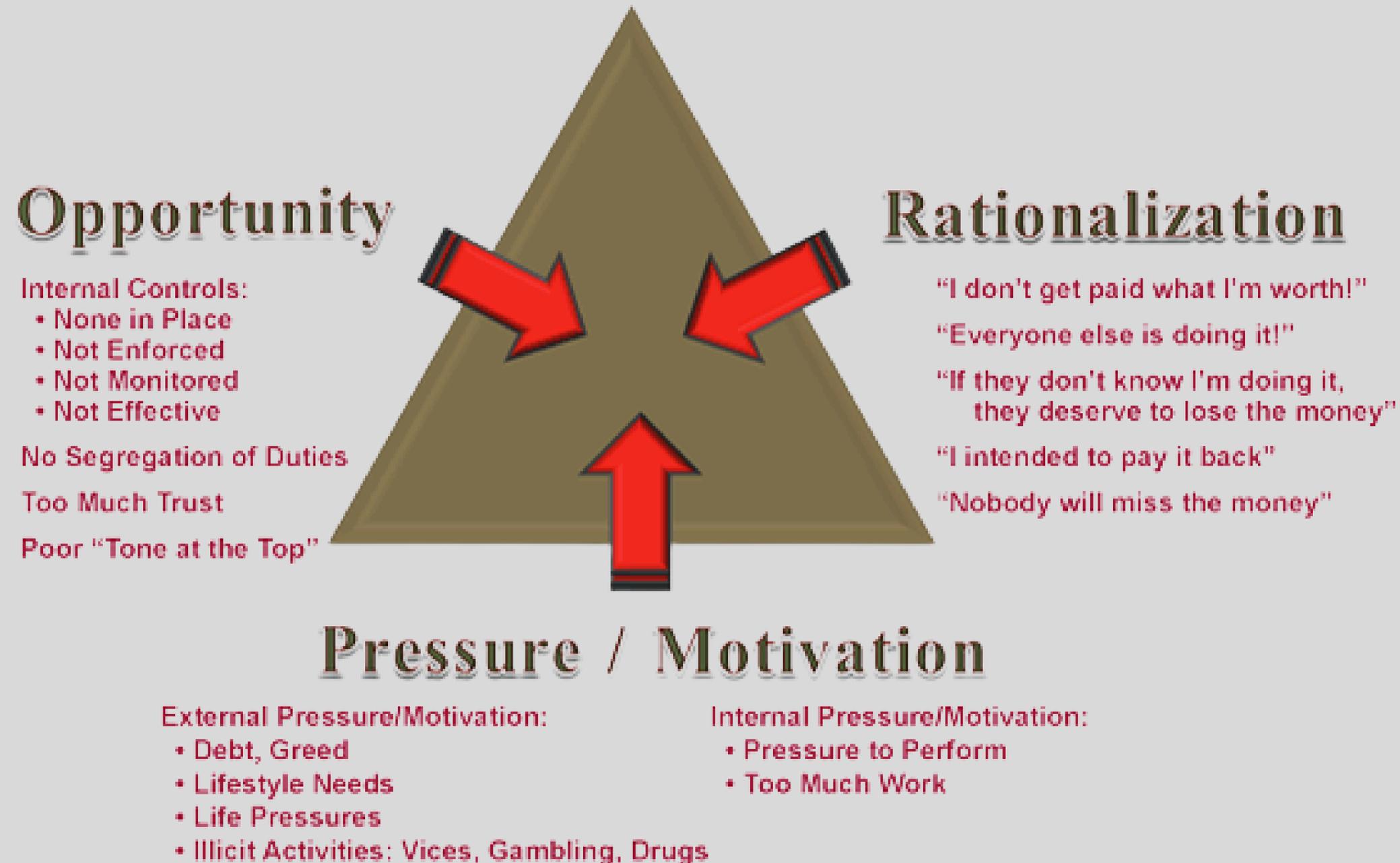
- \$50–100M in local government grants annually
- Weak governance enables fraud, corruption, foreign influence and politicisation
- Systemic reform required to safeguard public funds

# Why It Matters

- Grants fund community development and infrastructure
- Ratepayer money demands strong accountability
- Poor oversight erodes trust and enables misconduct

# Fraud Triangle Framework

## The Fraud Triangle

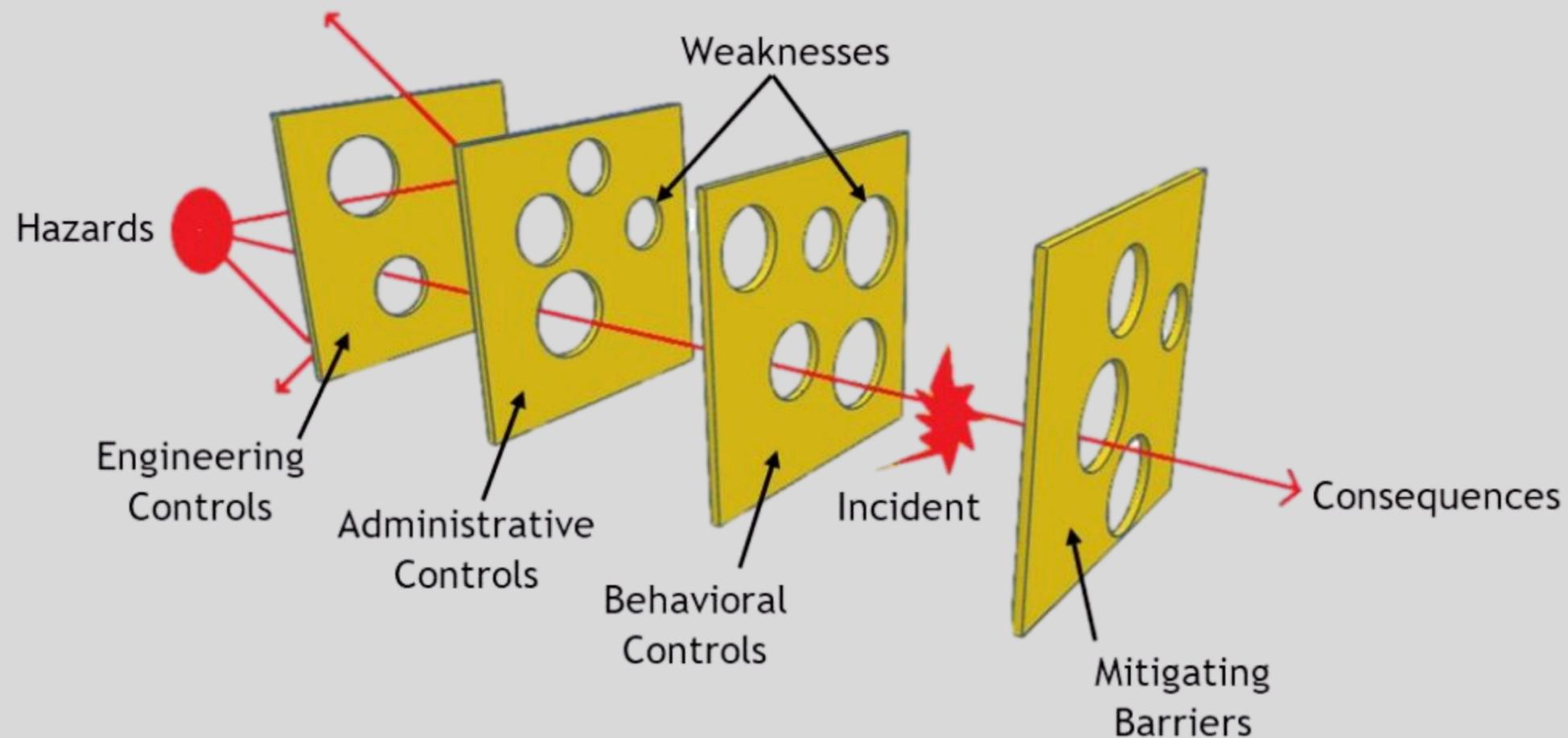


# National Security Concerns

- Grants misused for terrorist financing  
or overseas interests
- Foreign influence via opaque  
recipients
- Organised crime using grants to  
launder funds

# Systemic Governance Failures

- Swiss Cheese Model: Multiple weak layers align
- Lack of due diligence, transparency, monitoring
- Normalised misconduct across council activities



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- Ratepayer money demands strong accountability
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# Council Watch Recommendations

- Standardised statewide grant system
- KYC-style applicant vetting
- Transparent public register of recipients

# Strengthening Oversight

- VAGO audits and whistleblower protections
- Penalties for fraud and political misuse
- Ministerial guidelines under s87 LG Act

# Implementation Plan

- Phase 1 (0–6 months): Conflict checks, admin guidelines
- Phase 2 (6–18 months): Centralised database, audits
- Phase 3 (18+ months): Oversight Unit, structural reforms

# Role of Parliament

- Enable ministerial direction for reform
- Support statewide oversight mechanisms
- Prioritise integrity in local government funding

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