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# Grants to the Migrant Workers Centre

**Tabled 17 February 2021**



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## **Objective**

This limited assurance review looked at whether Department of Premier Cabinet (DPC) grants to the Migrant Workers Centre were misused for political campaigning activities at the 2018 state and 2019 federal elections.

It follows a referral made to the Auditor-General in June 2020 about this alleged activity.

## **Who we examined**

We investigated:

- DPC, which distributes grant funds
- the Migrant Workers Centre Incorporated (MWC Inc), which DPC contracted to establish and operate the centre, and
- Victorian Trades Hall Council, which MWC Inc subcontracted to operate the centre on its behalf.

## **Conclusion**

Trades Hall has admitted to misusing some of the DPC grant moneys it received for political campaigning activities at state and federal elections. Trades Hall staff spent 143 hours on election activities during the 2018 state election and 176.5 hours on election activities during the 2019 federal election while on duty for MWC Inc. It estimated that the labour cost of these activities was \$17 883.15 in salaries and on-costs.

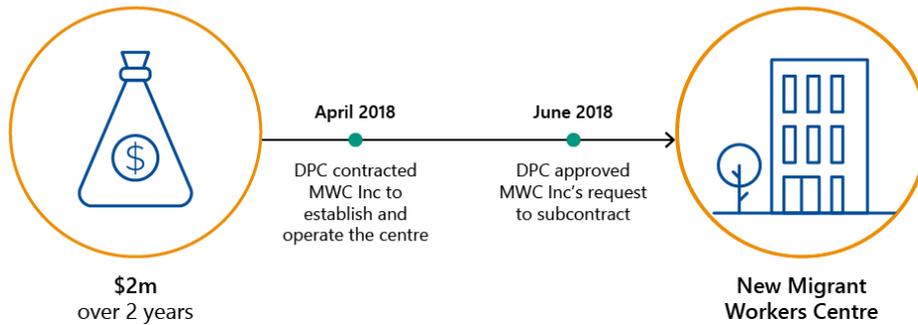
Both DPC's and MWC Inc's compliance monitoring failed to detect the misuse of funds.

Trades Hall told us that it previously believed these political campaigning activities were permitted under its subcontract with MWC Inc, but it now accepts that they were not.

Trades Hall plans to repay the grant funds it misused.

## Background

### 2017–18 Victorian Budget



It has also asserted that its Secretary directed centre staff to undertake these activities, and that it was not subject to any external direction or request to do so.

Nothing has come to our attention that contradicts Trades Hall's assertions.

### Background

The 2017–18 Victorian Budget included funding of \$2 million over two years to establish a new Migrant Workers Centre in Melbourne to advocate for exploited workers.

In April 2018, DPC contracted MWC Inc to establish and operate the centre.

In June 2018, DPC approved MWC Inc's request to subcontract the operation of the centre to Trades Hall ahead of its launch. The subcontract requires that Trades Hall perform the activities on the same terms and conditions as the main contract.

DPC's initial contract with MWC Inc included grant funding of \$2.267 million over two years until April 2020. However, following five contract variations, the total grant funding increased to \$3.384 million out to March 2021.

### What we recommended

We recommended that DPC recover the grant funding that Trades Hall misused, and require that all grant recipients certify that they have used funds for their intended purpose.