

STATEMENT OF EXPECTATIONS

Commonwealth Grants Commission

The Commonwealth Grants Commission (CGC) is a statutory authority operating under the *Commonwealth Grants Commission Act 1973*. The Commission is an advisory body that undertakes inquiries in response to terms of reference from the Minister for Finance and Administration or the Parliamentary Secretary to the Minister. Its main function is to recommend how the pool of GST revenue and health care grants should be distributed among the States and Territories. The Australian Government decides on the terms of reference for the Commission's Reports on State Revenue Sharing Relativities after discussions with the States and Territories. The relativities are considered at the annual meeting of the Ministerial Council for Commonwealth-State Financial Relations.

The CGC is supported by a Secretariat, whose primary role is to provide effective support to the CGC as it responds to the terms of reference. The Secretariat does this by consulting with stakeholders at officer level; collecting and assessing data; undertaking research; and preparing recommendations and draft reports.

My expectations of the CGC are that it will:

- continue to meet its performance outcome of fiscal equalisation among the States and Territories through the distribution of GST revenue, through the production of high quality and timely reports containing advice, and the acceptance of this advice by the Government;
- produce high quality reports, or progress towards reports, in relation to other terms of reference within the timelines specified for each term of reference;
- provide all relevant stakeholders, governments and the public generally with opportunities to place their views before the CGC;
- keep me informed on all relevant matters in a timely fashion;
- provide all advice on relevant matters to the Department of Finance and Administration, in parallel to the information being provided to me as the responsible Parliamentary Secretary; and
- meet its legislative obligations under the *Commonwealth Grants Commission Act 1973*, the *Public Service Act 1999* and the *Financial Management and Accountability Act 1997*.

Richard Colbeck
Parliamentary Secretary to the Minister for Finance and Administration
January 2007