

Statement of Intent
by the Commonwealth Grants Commission
to the Parliamentary Secretary to the Minister for Finance and Administration

This Statement of Intent responds to the Statement of Expectations from the Parliamentary Secretary to the Minister for Finance and Administration, dated 16 January 2007. It is a formal commitment by the Commonwealth Grants Commission (the Commission) to meet the expectations of Government.

Outcome

The Commission's required outcome is fiscal equalisation among the States and Territories through the distribution of GST revenue and health care grants. The outputs relating to this outcome are reports, or progress towards the completion of reports, containing advice for the Government.

The Commission intends to continue to evaluate its performance through the effectiveness indicators of:

- the technical quality of analytical work underlying and supporting the reports, as evidenced by the results of the intensive scrutiny of Australian Government and State Treasury officials.
- the degree of acceptance of the reports by the Australian and State Governments; and
- the timeliness of reports as articulated in Terms of Reference and other government directives.

Communication with Stakeholders

The Commission intends to continue to encourage opinion and feedback from all stakeholders by:

- full consultation with Australian and State Governments, which includes regular meetings with Heads of Treasuries;
- publishing reports, including calculation methods and data sources where confidentiality considerations permit;
- maintenance of an informative website; and
- lectures, presentations and visits by Commission and Secretariat members.

The principal means of communication with the Minister is through the forwarding of the relevant reports and the Annual Report. The Commission commits to informing the Minister and the Department of Finance and Administration of any relevant events which may occur outside of this normal reporting.

The Commission will continue to provide required information to the Parliament through the Parliamentary Secretary to the Minister for Finance and Administration.

Legislative Obligations

The Commission will conduct its business and manage its members and secretariat as required by the *Commonwealth Grants Commission Act 1973*.

The powers and functions of an Agency Head under the *Public Service Act 1999* are delegated to the Chairperson of the Commission by the Secretary of the Department of Finance and Administration. The Chairperson has delegated these powers to the Secretary. The Commission is committed to the management of its people under the provisions of the Act and in accordance with the Code of Conduct and APS Values.

The Commission is part of the Finance and Administration Portfolio and reports direct to the Minister. It is a Prescribed Agency under the *Financial Management and Accountability Act 1997*. This imposes accountability and management requirements in relation to public money and public property. The Secretary of the Commission is prescribed in the *Financial Management and Accountability Regulations* as the Chief Executive for the purposes of the *FMA Act*.

The Commission aims to pursue constant improvement in its financial and internal budget and audit processes. These include the continuance of fraud control, remuneration and internal audit committees and a regime of internal processes and controls.

Purchasing will continue to be conducted in accordance with the *Commonwealth Procurement Guidelines and Best Practice Guidance*.

February 2007