



Australian Government  
Commonwealth Grants Commission

# Corporate Plan 2022-23



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## Introduction

As the accountable authority, I present the Commonwealth Grants Commission's (CGC) 2022-23 Corporate Plan, covering the period 2022-23 to 2025-26, in accordance with subsection 35(1) of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)* and subsection 16E(2) of the *Public Governance, Performance and Accountability Rule 2014*.

In 2022-23, we will provide advice on the GST distribution for the 2023-24 financial year. We will continue to improve our understanding of factors influencing state fiscal positions, including COVID-19. We will also continue to prepare for an expected review of the Commission's methods for assessing state fiscal capacities.

Over the next year, we will build on a range of initiatives progressed during 2021-22.

- We will continue to pursue opportunities to improve our communication and engagement with the Commonwealth Treasury, state Treasuries and other stakeholders.
- Having refreshed our website in 2021-22, we will explore new ways to enhance the community's understanding of Australia's GST distribution framework and to explain the Commission's work. This includes through the Commission's series of Occasional and Research papers.
- In the face of a competitive labour market, we will maintain our focus on attracting and retaining a highly skilled, motivated, and diverse workforce, and continue to adapt our approaches to recruitment and retention.
- We will seek to finalise the project to future-proof our core ICT platform for analysing state fiscal data.
- Having launched our inaugural Reflect Reconciliation Action Plan in May 2022, we are now implementing the initiatives in the plan to play our part in advancing reconciliation.
- We will continue to evaluate and refresh our suite of internal policies and procedures to ensure they are fit-for-purpose for a small agency, while meeting government requirements.

I welcome two new Commission Members, Professor Anne Tiernan and Dr Angela Jackson, and look forward to working with them. I would like to thank the outgoing Members, Emeritus Professor Jeffrey Petchey and The Hon Dr Peter Hendy, for their contribution to the work of the Commission over the terms of their appointments.

In accordance with the requirements of the *PGPA Act*, this plan provides an overview of our operating environment, capabilities and how we will measure performance. I look forward to reporting on our performance in the annual performance statements in our 2021-22 Annual Report.



Jonathan Rollings  
Secretary  
31 August 2022



# Our purpose

The Commonwealth Grants Commission’s purpose is to provide independent advice to the Australian Government on the distribution of GST revenue among the states and territories (states).

# Our values

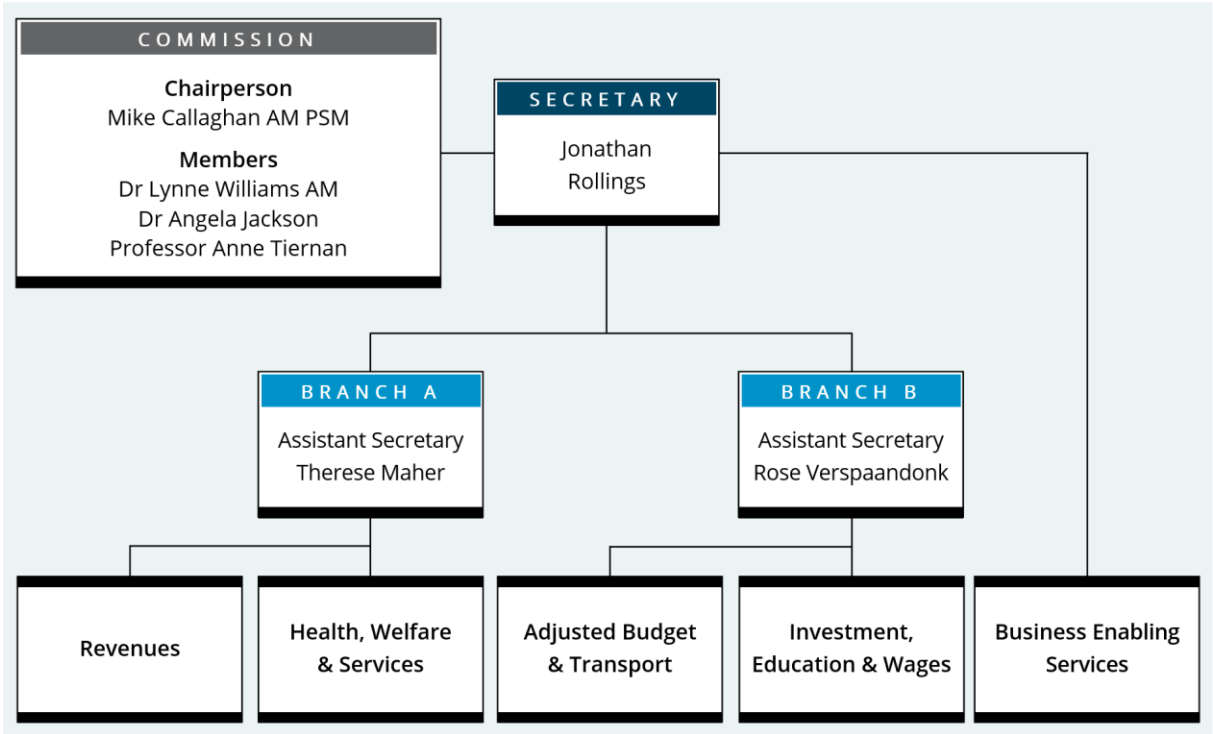
We uphold the Australian Public Service values to be impartial, committed to service, accountable, respectful, and ethical. We are consultative, working closely with the states and data providers to ensure our analysis is based on the best available information. Our reputation and credibility are built upon our independence and the rigour of our research and analysis. The health, safety and wellbeing of our people are paramount.

# Who we are

The CGC is a statutory authority operating under the *Commonwealth Grants Commission Act 1973*. The Commission, comprising a part-time Chairperson and usually three part-time members, is responsible for providing advice to the Government on the distribution of GST revenue to the states. The Commission Chairperson and members are appointed by the Governor-General.

The CGC Secretary and CGC agency staff support the Commission in its responsibilities. The Secretary to the CGC is the accountable authority for the purposes of the *PGPA Act*, with responsibility for governing the general operation of the CGC agency.

# Our structure



**Note:** Dr Angela Jackson's appointment is from 24 August 2022. Professor Anne Tiernan's appointment is from 1 September 2022.

## Environment

Legislation governing Australia's GST distribution arrangements sets the framework for the Commission's work.

The impact of COVID-19 on state budgets is now fully within the Commission's assessment window for the 2023 Update of GST relativities. We continue to closely assess these impacts and how they might affect how we assess state fiscal capacities.

COVID-19 has also changed the way we work. Hybrid working arrangements are well-established and our refreshed ICT, including facilities in our new office, supports remote-working and the use of technology for consultation and engagement.

We operate in a competitive market for relevant expertise. We offer staff challenging and interesting work that is central to Australia's federal financial arrangements. Our relatively predictable workflows support a healthy work-life balance.

## Performance

The CGC's key outcome is 'informed Government decisions on the distribution of the GST among the states and territories'. The Commission provides the Government with an annual update of recommended GST sharing relativities and periodically reviews the methods it uses to assess state fiscal capacities. We assess our effectiveness against our key outcome using the targets and measures below.

Performance Measures	Planned performance results
Responsiveness to government	The Commission's advice meets the Government's requirements as specified in the terms of reference provided by the Commonwealth Treasurer.
Excellence in research and analysis	The research and analysis underlying the Commission's advice are recognised to be high quality and technically robust.
Planned Performance Results	The Commission's advice is informed by the best available information and data and considers the views of relevant stakeholders.

To help measure our performance, we routinely seek feedback from the states on the quality of our analysis and the effectiveness of our processes for engagement and obtaining. While feedback is currently qualitative in nature, we will consider how we can gather more quantitative information to measure and benchmark our performance.

## Capability

### Our people

The CGC will continue to focus on attracting and retaining a highly skilled, diverse and motivated workforce, including staff with expertise in data and statistical analysis. The expertise and professionalism of our people enable us to produce high-quality work and maintain strong stakeholder relationships.

In 2022-23, we will continue to invest in our people capability. Our aim is to attract more entry level people, such as graduates and university students, to support our more experienced staff and grow the 'experts' of the future. We will continue to engage with the APS Data Profession, having gained a graduate through this stream in 2022.

We will refresh our processes for ensuring managers and their staff routinely discuss professional development opportunities. We will provide flexible and timely training resources through our e-Learning management system, "Learn hub".

## Our systems

To keep pace with technological advances, and to support ongoing improvement in our work, we continue to progress the project to modernise our core ICT systems. Our recent office relocation provided the opportunity to refresh our ICT and video-conferencing systems.

## Communication and engagement

Given the work of the CGC affects all Australians, it is important we communicate clearly across a variety of audiences including the Commonwealth Treasurer, state treasurers, treasury officials, policy experts, the media, and the Australian public.

We will continue to progress our efforts to explain the CGC's work and inform policy discussions, including through the Commission's series of Occasional Papers and Research Papers. We will also continue to make our published material easier to understand and will enhance our new website to better meet the needs of those interested in learning about GST distribution.

We have a strong foundation of close, consultative relationships with state treasuries and the Commonwealth Treasury, and will build upon these, through regular informal engagement and the provision of training. We continue to consult with states on ways to ensure our reports include the information they need.

## Risk

Delivering the CGC's priorities requires us to pro-actively assess and manage risks. We embrace and promote a positive risk culture. We have refreshed our risk management framework, developed a new risk appetite statement (attached), and identified those things that could prevent us from meeting a set of identified enterprise objectives. These key risks, related controls and tolerances will be regularly reviewed as part of a rolling process and the risk plan updated as needed. Our Audit and Risk Committee provides independent assurance to the Secretary on the CGC's risk framework and processes.

The CGC Business Continuity Framework will continue to evolve in line with new ways of working, including a recovery plan to ensure the continued delivery of our critical business processes, key projects, and corporate functions during a potential business disruption. The Business Continuity Framework and specific business continuity planning processes will be tested and updated on a regular basis.

## 2022-2023 Risk Appetite Statement

### Message from the Secretary

The Commonwealth Grants Commission (CGC) has an important role to play in providing independent advice to the Australian Government on the distribution of GST revenue among the states and territories. Effectively engaging with and managing risk is central to achieving this mission.

The CGC is committed to embedding risk management in our culture. We recognise that it is not possible or desirable to eliminate all risk and through accepting some degree of risk we can optimise opportunities, promote efficiencies and support innovation. The CGC is willing to accept higher levels of risk when the opportunities outweigh consequences. We are all responsible for appropriately engaging with and managing risk and in doing so we must be able to demonstrate well informed, evidence-based decision making.

As the Accountable Authority, I am charged with implementing effective risk oversight within the CGC. By communicating our risk appetite, this document helps us understand what constitutes acceptable risk taking in both our day-to-day work and in achieving our strategic priorities.

Jonathan Rollings  
Secretary

Our stakeholders expect to have confidence in the advice we provide to government.

- We have a lower tolerance for risks associated with or emerging from:
- our advice being corrupted by flawed methodologies or through inadequate quality assurance.
  - being perceived as not following a rigorous process or consulting appropriately.
  - being perceived as partisan or biased in our judgment and analysis.
  - failing to challenge the assumptions we inevitably make in our work.

### Risk in our Work

*Risk related to providing independent advice to the Australian Government on the distribution of GST revenue among the states and territories*

- To remain relevant, we must continue to evolve and innovate how we work, exploring new approaches. We have a higher tolerance for risks associated with:
- considering new ways to complete our analytical and research work, whilst ensuring safeguards are in place to protect the quality of our advice to government.
  - improving how we communicate publicly, exploring how to better inform the national discussion on GST distribution, while protecting our independence and impartiality.
  - building strong relationships with stakeholders and partner agencies.

### Risk to our People and Capabilities

*Risk related to staff capability and engagement, core enabling capabilities, business systems, and information and digital services*

- We have unique and challenging recruitment requirements. We have a higher tolerance for risks associated with:
- delegating work and responsibilities to appropriate levels of our staff
  - actively promoting workforce diversity and embracing more contemporary and innovative recruitment models to optimise opportunities and ensuring recruitment processes are robust, responsive and efficient.
  - implementing agile and innovative business services, end to end solutions and work processes.
  - identifying personal and professional development opportunities for our staff and ways to improve their capabilities, including through exposure to new environments, external networking, collaboration and ideas.

- People and information are the core of our business. We must protect these important capabilities, and have a lower tolerance for risks associated with or emerging from:
- anything which jeopardises our ability to recruit and retain staff or leverage their skills to produce quality outcomes - this includes failing to develop, support, and empower them to confidently and competently perform their roles.
  - inadequate project and change management
  - unplanned systems outages, particularly during critical analysis and reporting periods.
  - behaviour that undermines our commitment to be impartial, committed to service, accountable, respectful, and ethical.

### Risks to our Security, Integrity and Good Governance

*Physical, information and personnel security risk, legal and administrative compliance, financial management, fraud, and workplace safety*

- Managing the threats to our people and work requires balance. Provided they are properly considered and endorsed through the CGC's governance mechanisms, we have a higher tolerance for risks associated with:
- challenging red-tape, legacy processes and obstacles, in particular, streamlining our policy frameworks and ensuring they are simple, contemporary and suitable for the CGC's needs.

- Ensuring our people feel safe and supported is non-negotiable. We have a lower tolerance for risks associated with or emerging from:
- behaviours and actions that could risk our independence and integrity being called into question.
  - compromises to the security of our people or premises.
  - activities and environments that adversely impact upon the health, safety and wellbeing of our staff and visitors.
  - noting we are a small agency, we must still maintain the integrity of our business, corporate and financial decision making, for example by maintaining appropriate separation of duties.