



## Report shows flaws in new funding framework

A report tabled in Parliament today highlights concerns over the accountability and transparency of the framework for the transfer of \$45.5 billion from the Commonwealth to the states and territories.

Funds transferred under national agreements and partnerships are now governed by the Intergovernmental Agreement on Federal Financial Relations (IGA FFR).

While this new agreement has been hailed as a significant step forward in Commonwealth/state relations, the report from the Joint Committee of Public Accounts and Audit shows there have been some major problems with its implementation.

The report highlights the lack of parliamentary scrutiny for the billions expended under the new framework as well as issues with performance reporting.

Committee chair Rob Oakeshott said implementation has also been hampered by the slow pace of cultural change required to accommodate the new arrangements across the public service, especially within service delivery agencies.

"There are a number of recent and upcoming reports into the IGA FFR with similar findings and the committee urges the Commonwealth Government to take this opportunity to fix the current problems with the system," Mr Oakeshott said.

"Consolidated action now will make sure that Australia can take advantage of the full potential of these new reforms."

The report makes 15 recommendations to address issues surrounding implementation and ensure the full potential of the new framework is realised, including:

- improving key performance indicators and data collection processes;
- fostering cultural change through extra training and better enforcement of the framework's principles; and
- enhancing parliamentary scrutiny through the tabling of COAG Reform Council reports and an annual statement by the Prime Minister outlining the contribution of national funding agreements to the well being of all Australians.

Copies of the report can be located at the Committee's website:

<http://www.aph.gov.au/house/committee/jcpaa/natagree/index.htm>.

**For media comment:** please contact the Committee Chair, Rob Oakeshott MP, on telephone (02) 6584 2911

**For more information:** for information about the inquiry, please contact the Committee Secretariat on telephone (02) 6277 4615, e-mail [jcpaa@aph.gov.au](mailto:jcpaa@aph.gov.au), or visit the Committee website

<http://www.aph.gov.au/house/committee/jcpaa/index.htm>