

# Appendix A: Federation Funding Agreement (FFA) Framework

## Intergovernmental Agreement on Federal Financial Relations (IGA FFR)

National Cabinet agreement that governs financial relations between the Commonwealth and state and territory governments

## Council on Federal Financial Relations (CFFR)

Gatekeeper of the IGA FFR and FFA Framework

### National IGA FFR agreements

Overarching agreements, generally with no funding that define sector-wide objectives, outcomes, outputs, performance indicators, roles and responsibilities:

- National Disability Agreement (no NSPP)
- National Healthcare Agreement (no NSPP)
- National Agreement for Skills and Workforce Development (NSPP).

### National federation funding agreements

Contain significant sector-wide policy objectives with complex terms and conditions, and facilitate ongoing funding delivery.

- National Mental Health and Suicide Prevention Agreement
- National Housing and Homelessness Agreement
- National Health Reform Agreement
- National School Reform Agreement
- National Skills Agreement.

#### Bilateral schedules

Individual state or territory funding for specific outcomes.

### Sectoral federation funding agreements

Overarching agreements with no funding that provide a framework for facilitating sector-wide initiatives:

- health
- environment
- affordable housing, community services and other.
- infrastructure
- education and skills

#### Federation funding agreement schedules

Sit under the five sectorial FFAs and provide funding for specific sector outcomes for states and territories.

#### National partnership agreements and project agreements

## Federation funding agreement principles

- 1 Strong economic, social and fiscal outcomes
- 2 Limit the number of low value agreements to ensure value for money
- 3 Balance government priorities
- 4 Budget autonomy and greater flexibility
- 5 Funding certainty
- 6 CFFR will retain oversight over agreements
- 7 CFFR will involve portfolio ministers
- 8 Accountability and transparency

There may be other forms of Commonwealth agreements not included in this chart, including exchange of letters and disaster recovery payments.

This chart does not apply to non-FFA framework agreements, that is, Commonwealth own-purpose expenditure (COPE) agreements.

Legend:

Non-funding agreement Funding agreement Phasing out