







# Appendix B: Commonwealth agreement development, negotiation and approval processes

Development stage	Process		
 <b>1 Agreement initiation</b>	Notify central agencies of the Commonwealth’s intention to develop and negotiate an agreement. Provide central agencies with agency’s primary contact details for each Commonwealth funding agreement and copies of draft funding agreements received from the Commonwealth.		
 <b>2 Risk assessment</b>	Agency to undertake risk assessment to determine low, medium, high risk level of funding agreement (see Appendix C: Risk assessment). Agency to consult with central agencies to confirm risk assessment, and negotiation and approval process.		
 <b>3 Negotiation parameters</b>	<u>Low risk assessment</u> Agency to develop negotiation parameters with central agencies (see Appendix D: Negotiation principles).	<u>Medium risk assessment</u> Agency to develop negotiation parameters with central agencies and seek Cabinet approval for any required co-contributions (see Appendix D: Negotiation principles).	<u>High risk assessment</u> Agency to develop negotiation parameters with central agencies and seek Cabinet approval for these and any required co-contributions (see Appendix D: Negotiation principles).
 <b>4 Negotiation</b>	<u>Low risk assessment</u> Agency to lead negotiations with the Commonwealth consistent with negotiation parameters agreed with central agencies.  Agency to seek feedback from central agencies on first and final draft agreement versions.	<u>Medium risk assessment</u> Agency to lead negotiations with the Commonwealth consistent with negotiation parameters agreed with central agencies.  Agency to seek feedback from central agencies on draft agreement versions and engage central agencies in negotiations where necessary.	<u>High risk assessment</u> Agency to lead negotiations with the Commonwealth consistent with Cabinet approved negotiation parameters.  Agency to seek feedback on draft agreement versions from central agencies and engage central agencies in negotiations.

Development stage	Process		
 <p><b>5 Approval and signature</b></p>	<p><u>Low risk assessment</u>                      Agency to endorse final draft agreement and consult central agencies.                       Agency to seek relevant portfolio minister approval and signature for agreement.                       Agency to provide copy of signed agreement to Commonwealth and central agencies.</p>	<p><u>Medium risk assessment</u>                      Agency to endorse final draft agreement and consult central agencies.                       Agency to seek relevant portfolio minister approval and signature for agreement.                       Agency to provide copy of signed agreement to Commonwealth and central agencies.</p>	<p><u>High risk assessment</u>                      Agency to seek Cabinet approval to accept the Commonwealth funding agreement and for relevant portfolio minister to sign.                       Agency to provide copy of signed agreement to Commonwealth and central agencies.</p>
 <p><b>6 Management, monitoring and evaluation</b></p>	<p>Agency to meet obligations under the agreement, including reporting requirements, monitoring progress and providing advice to central agencies of significant issues, and participating in agreement reviews.</p>		