

# Appendix C: Commonwealth funding agreement risk assessment

Agencies should form an overall risk determination for a Commonwealth funding agreement and consult with central agencies to confirm the risk assessment and to verify an agreement's approval process.

Risk factors below are a guide to undertaking a risk assessment for a Commonwealth funding agreement. Agencies may determine any weightings to these risk factors and consider other potential risks when undertaking a risk assessment.

Note: National Federation Funding Agreements do not require a risk assessment as these are all classified as high risk agreements.

Risk factors	Low risk	Medium risk	High risk
Value	< \$1m	\$1m – \$50m	> \$50m
Insufficient funding	Negligible	Some	Significant
Public/industry/non-government interest and or political implications	Negligible	Some	Significant
Unfeasible milestones or other barriers	Negligible	Some	Significant
Requires enacting legislation	No	No	Yes
Requires governance frameworks	No	No	Yes
Impacts multiple agencies	No	Yes	Yes
Asset/capital implications	Negligible	Some	Significant
Human resource implications	Negligible	Some	Significant
Requires national reforms/frameworks/processes/funding approaches	No	No	Yes
Unreasonable/compressed negotiation timeframes	Negligible	Some	Significant
Duration insufficient to achieve outcomes	Negligible	Some	Significant
Reporting disproportionate to funding and or outcomes	Negligible	Some	Significant
Administratively burdensome	Negligible	Some	Significant
Co-contributions required	No	Some	Significant
Consequential financial and service delivery impacts	Negligible	Some	Significant
Complexity	Negligible	Some	Significant
Restricted autonomy and flexibility	Negligible	Some	Significant
Lack of clear and/or disproportionate accountabilities and responsibilities for the Territory	Negligible	Some	Significant
Misalignment with Territory strategic priorities	No	Some	Significant
Additional associated agreements (i.e. MOU or tripartite agreement)	No	Yes	Yes
Requirement to consider obligations under other agreements (i.e. Closing the Gap)	No	Yes	Yes