The Cape York Welfare Reform Trial has been extended for another year after indigenous leader Noel Pearson yesterday agreed to the State Government's demands for changes to the program's financial accountability.

Mr Pearson and the Cape York Institute were at an impasse with the Government, which refused to hand over $5.65 million for the continuation until negotiations on accountability, governance and management were finalised.

The Federal Government had already committed $11.8 million to extend the trial, which is historically funded by both upper levels of government, but its state counterparts had not guaranteed a contribution.

Its hesitation came after the Regional Organisation of Communities of Cape York, a group made up of council representatives from across the Cape, questioned the trial's results and demanded more input on where government funding was going.

Millions of dollars have been spent on the initiative, which links parents' Centrelink payments to their obligations to send their children to school, since 2008, with less violence and better class attendance reported.

State Minister for Aboriginal and Torres Strait Islander Affairs Glen Elmes said the continuation of the trial would include changes to governance arrangements and streamlined reporting requirements.

"The Government was committed to an extension of the trial, but wanted to make some changes to the membership and role of the body which oversees the trial's implementation," he said.

"Community leaders from the four trial communities will be invited to be part of a new advisory board with State and Federal Government and Cape York Institute representatives to oversee the extension period."

Mr Pearson said the extension would allow the continuation of projects which had proven successful and the introduction of new health and social programs in the trial communities of Mossman, Coen, Hope Vale and Aurukun.