

EXPLANATORY STATEMENT

Select Legislative Instrument 2006 No. 352

Issued by the Authority of the Minister for Health and Ageing

Australian Institute of Health and Welfare Act 1987

Australian Institute of Health and Welfare Regulations 2006

Section 32 of the *Australian Institute of Health and Welfare Act 1987* (the Act) provides that the Governor-General may make regulations prescribing matters required or permitted by the Act to be prescribed.

Paragraph 23(a) of the Act requires Ministerial approval for the Australian Institute of Health and Welfare (the Institute) to enter into a contract involving the payment or receipt of an amount exceeding \$200,000 or such higher amount as may be prescribed.

An amount of \$500,000 was prescribed in the Australian Institute of Health and Welfare Regulations on 3 September 1997 (the 1997 Regulations).

That limit has not been varied since 1997 and it is considered timely to increase the limit to reflect the growth in the size of the Institute's business. Since 1997 the value of the Institute's revenue from external contracts has grown by over 200%. An increase in the limit to \$1,500,000 (including Goods and Services Tax) is considered administratively more efficient and more in keeping with the original intent of the Act than the current limit.

The Regulations will repeal the 1997 Regulations and prescribe a limit of \$1,500,000 in respect of contracts entered into by the Institute.

The Act specifies no conditions that need to be satisfied before the power to make the Regulations may be exercised.

The Regulations are a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

The Regulations commence on the day after they are registered on the Federal Register of Legislative Instruments.

Consultation: Consultation on these Regulations was not required since increasing the value of the prescribed amount is of an administrative nature.

Authority: Section 32 of the *Australian Institute of Health and Welfare Act 1987*