

EXPLANATORY STATEMENT

Issued by the Authority of the Minister for Finance

Financial Framework (Supplementary Powers) Act 1997

*Financial Framework (Supplementary Powers) Amendment
(Veterans' Affairs Measures No. 3) Regulations 2017*

The *Financial Framework (Supplementary Powers) Act 1997* (the FF(SP) Act) confers on the Commonwealth, in certain circumstances, powers to make arrangements under which money can be spent; or to make grants of financial assistance; and to form, or otherwise be involved in, companies. The arrangements, grants, programs and companies (or classes of arrangements or grants in relation to which the powers are conferred) are specified in the *Financial Framework (Supplementary Powers) Regulations 1997* (the Principal Regulations). The FF(SP) Act applies to Ministers and the accountable authorities of non-corporate Commonwealth entities, as defined under section 12 of the *Public Governance, Performance and Accountability Act 2013*.

Section 65 of the FF(SP) Act provides that the Governor-General may make regulations prescribing matters required or permitted by that Act to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to that Act.

Section 32B of the FF(SP) Act authorises the Commonwealth to make, vary and administer arrangements and grants specified in the Principal Regulations. Section 32B also authorises the Commonwealth to make, vary and administer arrangements for the purposes of programs specified in the Principal Regulations. Schedule 1AA and Schedule 1AB to the Principal Regulations specify the arrangements, grants and programs.

Schedule 1 to the Regulations amends Schedule 1AB to the Principal Regulations to establish legislative authority for government spending on three initiatives in the Veterans' Affairs portfolio that arise from decisions in the 2017-18 Budget which was released on 9 May 2017. The initiatives will be administered by the Department of Veterans' Affairs.

Funding will be provided for:

- the Prime Minister's Veterans' Employment Program to raise awareness in the Australian business community of the unique skills and experience that veterans can bring to the civilian workplace and promote greater employment opportunities for veterans;
- grants to local communities and cultural institutions to commemorate the end of the First World War, remember Australian servicemen and women from all conflicts, and celebrate a just and secure peace; and
- veterans to travel to and from domestic events commemorating the Century of Service and conflicts in which they have served.

The Prime Minister's Veterans' Employment Program is a 2016 election commitment.

Details of the Regulations are set out at [Attachment A](#). A Statement of Compatibility with Human Rights is at [Attachment B](#).

The Regulations are a legislative instrument for the purposes of the *Legislation Act 2003*. The Regulations commence on the day after registration on the Federal Register of Legislation.

Consultation

In accordance with section 17 of the *Legislation Act 2003*, consultation has taken place with the Department of Veterans' Affairs.

A regulation impact statement is not required as the Regulations only apply to non-corporate Commonwealth entities and do not adversely affect the private sector.

Details of the *Financial Framework (Supplementary Powers) Amendment (Veterans' Affairs Measures No. 3) Regulations 2017*

Section 1 – Name

This section provides that the title of the Regulations is the *Financial Framework (Supplementary Powers) Amendment (Veterans' Affairs Measures No. 3) Regulations 2017*.

Section 2 – Commencement

This section provides that the Regulations commence on the day after registration on the Federal Register of Legislation.

Section 3 – Authority

This section provides that the Regulations are made under the *Financial Framework (Supplementary Powers) Act 1997*.

Section 4 – Schedules

This section provides that the *Financial Framework (Supplementary Powers) Regulations 1997* are amended as set out in the Schedule to the Regulations.

Schedule 1 – Amendments

Item 1 – In the appropriate position in Part 4 of Schedule 1AB (table)

This item adds three new table items to Part 4 of Schedule 1AB to establish legislative authority for government spending on certain activities administered by the Department of Veterans' Affairs.

New **table item 237** establishes legislative authority for government spending on the Prime Minister's Veterans' Employment Program.

The Program, which is a 2016 election commitment, includes the following initiatives:

- the Prime Minister's Veterans' Employment Annual Awards to recognise the achievements of small, medium and large businesses in creating employment opportunities for veterans, with the first awards expected to be presented in November 2017;
- the Industry Advisory Committee on Veterans' Employment consisting of representatives from small, medium and large businesses across a range of industries to develop and provide advice to Australian businesses on practical measures to embed veterans' employment strategies into their recruitment practices. The Committee will also be consulted in developing criteria for the Prime Minister's Veterans' Employment Annual Awards. Members of the Committee have been appointed and the Committee has commenced its meetings; and
- an ex-service organisation industry partnership register to enable ex-service organisations to register their interest in partnering with industry on projects to promote the employment of veterans. Businesses will be encouraged to partner with a local ex-service organisation to work on projects that promote the employment of

veterans. The register, which is expected to be launched in late 2017, will be located on the new Veterans' Employment Program website. The website, which is currently being developed, will provide information to veterans, employers and the ex-service community and support the Prime Minister's Veterans' Employment Annual Awards.

Further information about the Program is available at www.dva.gov.au/about-dva/news-and-updates/prime-minister-s-veterans-employment-program. More detailed information, including in relation to the annual awards, will be published on the new program website once it is developed and launched.

Funding of \$2.7 million was included in the 2017-18 Budget under the measure 'Supporting Veterans' Employment Opportunities' for a period of four years commencing in 2017-18. Details are set out in *Budget 2017-18, Budget Measures, Budget Paper No. 2 2017-18* at page 178.

On 25 June 2016, the Minister for Veterans' Affairs, the Hon Dan Tehan MP, announced 'The Coalition's Policy to Support Veterans and Their Families' which is available at <https://www.liberal.org.au/coalitions-policy-support-veterans-and-their-families>. The Program implements a number of commitments under this 2016 election policy.

The Department of Veterans' Affairs has responsibility for delivering all initiatives under the Program but may engage third-party providers to deliver some activities, such as the development of a website and event management services to support the annual awards. Spending decisions under the Program will be made by a delegate of the Secretary of the Department of Veterans' Affairs, in accordance with the *Public Governance, Performance and Accountability Act 2013* and the *Commonwealth Procurement Rules*. Information about procurement opportunities and decisions will be published on the AusTender website at www.tenders.gov.au.

Spending decisions under the Program will not be subject to merits review arrangements. In accordance with the *Commonwealth Procurement Rules*, tenderers will be selected on the basis of technical expertise, capability and value for money.

Funding for this item will come from Programs 2.1, 2.2, 2.3, 2.4, 2.5, 2.6 and 2.7, which are part of Outcome 2. Details are set out in the *Portfolio Budget Statements 2017-18, Budget Related Paper No. 1.4B, Defence Portfolio (Department of Veterans' Affairs)* at pages 28 and 30.

Noting that it is not a comprehensive statement of relevant constitutional considerations, the objective of the item references the following powers of the Constitution:

- the defence power (section 51(vi)); and
- the communications power (section 51(v)).

With respect to the defence power, the Program will encourage employers to employ veterans and will assist in the successful transition of veterans from military to civilian employment.

With respect to the communications power, the Program involves the development of a website as a means of engaging and communicating with veterans on issues concerning the transition to civilian employment.

New **table item 238** establishes legislative authority for the Government to provide grants to commemorate the end of the First World War.

Grants will be provided to local communities and cultural institutions to commemorate the end of the First World War, remember Australian servicemen and women from all conflicts, and celebrate a just and secure peace. Funding of \$7.5 million will be available for allocation using a standalone, single grant round under the Armistice Centenary Grant Program.

Each of the 150 federal electorates will be notionally allocated \$50,000 to be disbursed to eligible local community organisations and cultural institutions. Should any electorate be undersubscribed, the remaining funds may be allocated to eligible projects in oversubscribed electorates. Further information about this grant program, including available funding, will be published at www.dva.gov.au.

Funding for this item is part of the \$19.6 million included in the 2017-18 Budget under the measure ‘ANZAC Centenary Program – additional funding’ for a period of two years commencing in 2017-18. Details are set out in *Budget 2017-18, Budget Measures, Budget Paper No. 2 2017-18* at page 174.

Grant applications will be assessed using an open, competitive process. The application process will commence in the first quarter of 2017-18. Information for potential applicants, such as the program grant guidelines which will include selection and eligibility criteria, application forms, grant agreements and other documentation, will be published on the GrantConnect website at www.grants.gov.au.

The grant process will be subject to the *Commonwealth Grants Rules and Guidelines* and the program grant guidelines. Applications will be assessed and ranked in the order of merit by a selection committee. The committee will make recommendations to the Minister for Veterans’ Affairs who will make final decisions on grant funding. Decisions of the Minister will be final and not open to appeal. Following the execution of grant agreements, these decisions will be published at www.dva.gov.au/consultation-and-grants/grants/approved-grants-list.

Grant funding will be provided in accordance with the *Public Governance, Performance and Accountability Act 2013* and the *Commonwealth Grants Rules and Guidelines*. Funding will be spent in accordance with the grant agreements entered into between the department and successful applicants. The program grant guidelines will ensure that the decision-making process is objective and transparent, and that eligibility criteria are clear.

Decisions to provide grant funding under the Armistice Centenary Grant Program involve the allocation of finite resources and, as such, are not suitable for merits review because an overturned decision may affect an allocation that has already been made to another party. As the decisions will not be made under an enactment, the *Administrative Decisions (Judicial Review) Act 1977* is not applicable.

Funding for this item will come from Program 3.2: Commemorative Activities, which is part of Outcome 3. Details are set out in the *Portfolio Budget Statements 2017-18, Budget Related Paper No. 1.4B, Defence Portfolio (Department of Veterans’ Affairs)* at pages 28, 63 and 65.

Noting that it is not a comprehensive statement of relevant constitutional considerations, the objective of the item references the following powers of the Constitution:

- the defence power (section 51(vi)); and
- the Commonwealth executive power and the express incidental power (sections 61 and 51(xxxix)).

With respect to the defence power, funding of grants to local communities and cultural institutions to commemorate the end of the First World War and other nationally significant milestones in Australian history recognises military service by Australians and supports veterans.

With respect to the Commonwealth executive power and the express incidental power, funding of grants to local communities and cultural institutions to facilitate the commemoration of the end of the First World War and other nationally significant milestones in Australian military history is an activity that the Commonwealth can carry out for the benefit of the nation.

New **table item 239** establishes legislative authority for the Government to fund veterans' travel to and from domestic events commemorating the Century of Service and conflicts in which they have served.

The Government will support veterans to travel to and from commemorative services under the Century of Service Domestic Commemorations program which is available at <https://www.dva.gov.au/commemorations-memorials-and-war-graves/commemorations-and-anniversaries/domestic-commemorations>.

Funding of \$1.3 million will be available to support air travel (where required), ground transport and accommodation to allow veterans of significant military history anniversaries attend commemorations which will be held at appropriate memorials in Australia. Travel support may also be provided to a nominated carer for each veteran. Funding will be provided either directly by the Department of Veterans' Affairs or via grants to registered ex-service organisations.

Funding for this item is part of the \$19.6 million included in the 2017-18 Budget under the measure 'ANZAC Centenary Program – additional funding' for a period of two years commencing in 2017-18. Details are set out in *Budget 2017-18, Budget Measures, Budget Paper No. 2 2017-18* at page 174.

Calls for nominations from veterans of significant military conflicts will be published in *Vetaffairs*, the department's quarterly publication for the veteran and ex-service community. Where nominations do not fall within the publication period for *Vetaffairs*, this information will be published in major Australian newspapers. The department's social media pages and ministerial media releases will also be used to enhance the reach of the calls for nominations.

Nominees will undergo service record and medical assessments to determine eligibility for participation in commemorations, including associated government-funded travel. Spending decisions will be made by a delegate of the Secretary of the Department of Veterans' Affairs.

There will be no merits review of decisions to support veterans' travel to and from domestic commemorations as veterans will receive travel support subject to eligibility based on their service record and medical assessments.

Funding for this item will come from Program 3.2: Commemorative Activities, which is part of Outcome 3. Details are set out in the *Portfolio Budget Statements 2017-18, Budget Related Paper No. 1.4B, Defence Portfolio (Department of Veterans' Affairs)* at pages 28, 63 and 65.

Noting that it is not a comprehensive statement of relevant constitutional considerations, the objective of the item references the following powers of the Constitution:

- the defence power (section 51(vi)); and
- the Commonwealth executive power and the express incidental power (sections 61 and 51(xxxix)).

With respect to the defence power, payment of travel costs recognises service in the armed forces and supports veterans.

With respect to the Commonwealth executive power and the express incidental power, enabling veterans to travel to and from events commemorating conflicts in which they have served is an activity that the Commonwealth can carry out for the benefit of the nation.

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*

Financial Framework (Supplementary Powers) Amendment (Veterans' Affairs Measures No. 3) Regulations 2017

These Regulations are compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Legislative Instrument

Section 32B of the *Financial Framework (Supplementary Powers) Act 1997* (the FF(SP) Act) authorises the Commonwealth to make, vary and administer arrangements and grants specified in the *Financial Framework (Supplementary Powers) Regulations 1997* (the FF(SP) Regulations) and to make, vary and administer arrangements and grants for the purposes of programs specified in the Regulations. Schedule 1AA and Schedule 1AB to the FF(SP) Regulations specify the arrangements, grants and programs. The FF(SP) Act applies to Ministers and the accountable authorities of non-corporate Commonwealth entities, as defined under section 12 of the *Public Governance, Performance and Accountability Act 2013*.

The Regulations amend Schedule 1AB to the FF(SP) Regulations to establish legislative authority for government spending on three initiatives in the Veterans' Affairs portfolio that arise from decisions in the 2017-18 Budget which was released on 9 May 2017.

The initiatives will be administered by the Department of Veterans' Affairs.

Funding will be provided for:

- the Prime Minister's Veterans' Employment Program to raise awareness in the Australian business community of the unique skills and experience that veterans can bring to the civilian workplace and promote greater employment opportunities for veterans;
- grants to local communities and cultural institutions to commemorate the end of the First World War, remember Australian servicemen and women from all conflicts, and celebrate a just and secure peace; and
- veterans to travel to and from domestic events commemorating the Century of Service and conflicts in which they have served.

The Prime Minister's Veterans' Employment Program is a 2016 election commitment.

The Minister for Veterans' Affairs has portfolio responsibility for these matters.

Human rights implications

The Regulations do not engage any of the applicable rights or freedoms.

Conclusion

These Regulations are compatible with human rights as they do not raise any human rights issues.

**Senator the Hon Mathias Cormann
Minister for Finance**