

## **EXPLANATORY STATEMENT**

### **Issued by authority of the Assistant Treasurer**

*Federal Financial Relations Act 2009*

*Federal Financial Relations (National Specific Purpose Payments for 2018-19)  
Determination 2019*

Section 12 of the *Federal Financial Relations Act 2009* (the Act) provides that financial assistance is payable in accordance with that section to a State or Territory, for a financial year, for the purpose of expenditure on skills and workforce development. For the purposes of section 12, the Minister may determine the manner in which the total amount of all financial assistance payable to the States, the Australian Capital Territory and the Northern Territory (States and Territories) for a financial year under section 12 is to be indexed (relative to the previous financial year) and the manner in which the total amount is to be divided between the States and Territories.

Section 13 of the Act provides that financial assistance is payable in accordance with that section to a State or Territory, for a financial year, for the purpose of expenditure on disability services. For the purposes of section 13, the Minister may determine the manner in which the total amount of all financial assistance payable to the States and Territories for a financial year under section 13 is to be adjusted (relative to the previous financial year) and the manner in which the total amount is to be divided between the States and Territories.

The purpose of the *Federal Financial Relations (National Specific Purpose Payments for 2018-19) Determination 2019* (the Determination) is to determine the manner in which the total amount of all financial assistance payable to the States and Territories for a financial year under sections 12 and 13 of the Act is to be indexed or adjusted (respectively) for the 2018-19 financial year and the manner in which the total amounts under sections 12 and 13 are to be divided between the States and Territories.

Under the *Intergovernmental Agreement on Federal Financial Relations* (the IGA) and the Act, the Commonwealth provides payments to support States and Territories delivery of programs, services and reforms with skills and workforce development and disability services. The details of the funding arrangements and the conditions the States and Territories need to meet to receive Commonwealth funding are set out in the IGA.

The amounts specified in the Determination to be paid to each State and Territory have been calculated in accordance with the IGA.

Advance payments relating to skills and workforce development and disability services are made throughout the financial year based on estimates of each jurisdiction's anticipated entitlement for that year. Any adjustment between the advances paid to a jurisdiction and the jurisdiction's determined entitlement is made in the first practicable payment after the Determination is made.

The IGA was subject to extensive consultation with the States and Territories and were signed by all jurisdictions. The IGA is publicly available on the website of the Council on Federal Financial Relations. Ongoing consultation with the States and Territories on federal financial relations occurs regularly.

Details of the Determination are set out in [Attachment A](#).

The Determination is a legislative instrument for the purposes of the *Legislation Act 2003*. However, under subsection 44(1) of the *Legislation Act 2003*, the Determination is not subject to disallowance.

The Determination commenced on day after it was registered on the Federal Register of Legislation.

A statement of Compatibility with Human Rights is at [Attachment B](#).

**Details of the Federal Financial Relations (National Specific Purpose Payments for 2018-19) Determination 2019**

This Attachment sets out further details of the Determination.

Section 1 – Name

This section specifies the name of the Determination is the *Federal Financial Relations (National Specific Purpose Payments for 2018-19) Determination 2019*.

Section 2 – Commencement

This section prescribes that the Determination commences the day after it is registered on the Federal Register of Legislation.

Section 3 – Authority

This section provides that the Determination is made under the *Federal Financial Relations Act 2009*.

Section 4 – Definitions

This section provides definitions for the purposes of the Determination.

Section 5 – National specific purpose payments for skills and workforce development for 2018-19

This section sets out the amounts required to be paid by the Commonwealth in respect of the 2018-19 financial year to each State and Territory in accordance with the IGA to support States and Territories delivery of programs, services and reforms for skills and workforce development.

This section also explains the manner in which the total amount available to paid to the States and Territories has been index for 2018-19 (relative to 2017-18) and the manner in which the total amount available has been divided amongst the States and Territories.

Section 6 –National specific purpose payments for disability services for 2018-19

This section sets out the amounts required to be paid by the Commonwealth in respect of the 2018-19 financial year to each State and Territory in accordance with the IGA to support States and Territories delivery of programs, services and reforms for disability services (for those States and Territories that have yet to fully transition to the National Disability Insurance Scheme).

This section also explains the manner in which the total amount available to paid to the States and Territories has been adjusted for 2018-19 (relative to 2017-18) and the manner in which the total amount available has been divided amongst the States and Territories.

**Statement of Compatibility with Human Rights**

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

**Federal Financial Relations (National Specific Purpose Payments for 2018-19) Determination 2019**

This Legislative Instrument is 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**

The *Federal Financial Relations (National Specific Purpose Payments for 2018-19) Determination 2019* determines the manner in which the total amount of all financial assistance payable to the States and Territories for a financial year under sections 12 and 13 of the Act is to be indexed or adjusted (respectively) for the 2018-19 financial year and the manner in which the total amounts under sections 12 and 13 are to be divided between the States and Territories.

Section 12 of the Act provides financial assistance to a State or Territory, for a financial year, for the purpose of expenditure on skills and workforce development. Section 13 of the Act provides financial assistance to a State or Territory, for a financial year, for the purpose of expenditure on disability services.

**Human rights implications**

This Legislative Instrument does not engage any of the applicable rights or freedoms

This Legislative Instrument engages:

- the right to education, as referred to in Article 13 of the *International Covenant on Economic, Social and Cultural Rights* (done at New York on 16 December 1966 ([1976] ATS 5)) (ICESCR), Articles 28 and 29 of the *Convention on the Rights of the Child* (done at New York on 20 November 1989 ([1991] ATS 4)) (CRC) and Article 24 of the *Convention on the Rights of Persons with Disabilities* (done at New York on 30 March 2007 ([2008] ATS 12) (CRPD));
- the right to work and rights in work, as referred to in Article 6 of the ICESCR and Article 27 of the CRPD; and
- the rights of people with a disability, as referred to in the Convention on the CRPD and in Article 23 of the CRC.

This Instrument supports the above rights by providing funding to support States and Territories delivery of programs, services and reforms with respect to skills and workforce development and disability services.

Commonwealth funding in support of support States and Territories delivery of programs, services and reforms with respect to skills and workforce development and

disability services has been increased for 2018-19 in line with the *Intergovernmental Agreement on Federal Financial Relations*.

### **Conclusion**

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.