

EXPLANATORY STATEMENT

Issued by the Authority of the Minister for Finance

Financial Framework (Supplementary Powers) Act 1997

Financial Framework (Supplementary Powers) Amendment (Home Affairs Measures No. 2) Regulations 2025

The *Financial Framework (Supplementary Powers) Act 1997* (the FFSP 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 powers in the FFSP Act to make, vary or administer arrangements or grants may be exercised on behalf of the Commonwealth by 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 Principal Regulations are exempt from sunset under section 12 of the *Legislation (Exemptions and Other Matters) Regulation 2015* (item 28A). If the Principal Regulations were subject to the sunset regime under the *Legislation Act 2003*, this would generate uncertainty about the continuing operation of existing contracts and funding agreements between the Commonwealth and third parties (particularly those extending beyond 10 years), as well as the Commonwealth's legislative authority to continue making, varying or administering arrangements, grants and programs.

Additionally, the Principal Regulations authorise a number of activities that form part of intergovernmental schemes. It would not be appropriate for the Commonwealth to unilaterally sunset an instrument that provides authority for Commonwealth funding for activities that are underpinned by an intergovernmental arrangement. To ensure that the Principal Regulations continue to reflect government priorities and remain up to date, the Principal Regulations are subject to periodic review to identify and repeal items that are redundant or no longer required.

Section 32B of the FFSP 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. Section 32D of the FFSP Act confers powers of delegation on Ministers and the accountable authorities of non-corporate Commonwealth entities, including subsection 32B(1) of the FFSP Act. Schedule 1AA and Schedule 1AB to the Principal Regulations specify the arrangements, grants and programs.

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

The *Financial Framework (Supplementary Powers) Amendment (Home Affairs Measures No. 2) Regulations 2025* (the Regulations) amend Schedule 1AB to the Principal Regulations to establish legislative authority for the Government to provide a grant to The Project Rozana Foundation Ltd to deliver The Day After Project (the project). The grant will be administered by the Department of Home Affairs.

The project aims to sponsor health care initiatives that will result in improved health care outcomes for the Middle East and foster social cohesion in Australia.

Through the project, the Australian Government will be supporting both immediate humanitarian relief and sustainable development in the Middle East and will thereby reinforce the use of healthcare as a bridge for peacebuilding and cooperation.

Grant funding of \$4.0 million in 2024-25 will be available for the project to deliver two initiatives:

- Initiative One: This initiative provides equipment to the Al Rahma Rehabilitation Hospital to deliver critical physical and mental healthcare services, providing improved outcomes for thousands of injured Palestinians; and
- Initiative Two: This initiative aims to provide healthcare workers with professional development opportunities, including in strategic planning and healthcare management, culminating in improved cooperation between Palestinian and Israeli Health Institutions.

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 Home Affairs.

A regulatory impact analysis 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 (Home Affairs Measures No. 2) Regulations 2025*

Section 1 – Name

This section provides that the title of the Regulations is the *Financial Framework (Supplementary Powers) Amendment (Home Affairs Measures No. 2) Regulations 2025*.

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* (the Principal Regulations) are amended as set out in the Schedule to the Regulations.

Schedule 1 – Amendments

Financial Framework (Supplementary Powers) Regulations 1997

The item in Schedule 1 amends Schedule 1AB to the Principal Regulations to provide legislative authority for government spending on an activity to be administered by the Department of Home Affairs (the department).

Item 1 – In the appropriate position in Part 3 of Schedule 1AB (table)

This item adds one new table item to Part 3 of Schedule 1AB.

Table item 87 – Grant to The Project Rozana Foundation Ltd

New **table item 87** establishes legislative authority for the Government to provide a grant to The Project Rozana Foundation Ltd (Rozana) to deliver The Day After Project (the project). Through the project, the Australian Government will be supporting both immediate humanitarian relief and sustainable development by sponsoring health care initiatives, resulting in improved health care outcomes for the Middle East and foster social cohesion in Australia.

The project will deliver two initiatives:

- Initiative One – provide essential equipment to the near completed Al Rahma Rehabilitation Hospital to enable it to serve as a hub for holistic rehabilitation services and deliver critical physical and mental healthcare services; and
- Initiative Two – provide healthcare workers with professional development opportunities, including in strategic planning and healthcare management, culminating in improved cooperation between Palestinian and Israeli Health Institutions.

Initiative One

This initiative consists of providing equipment to the Al Rahma Rehabilitation Hospital to deliver critical physical and mental healthcare services, providing improved outcomes for thousands of injured Palestinians. Currently, rehabilitation services in the Palestinian territories are few and unevenly distributed. The construction of the first dedicated rehabilitation hospital in Hebron, with a population of 800,000 is 80 per cent complete. The Al Rahma Rehabilitation Hospital will serve as a hub for holistic rehabilitation services by catering to the diverse needs of the community in Hebron and the surrounding area. It is designed as a 40-bed inpatient, acute, modern rehabilitation facility catering to the needs of seriously injured children and adults. The Al Rahma Rehabilitation Hospital is expected to play a vital role in the recovery of both children and adults who have sustained severe injuries during the ongoing conflict.

There is an urgent need for available hospitals and facilities in the Occupied Palestinian Territories, to play a major part in recovery and rehabilitation. Rozana will use the funding for the essential equipment required to complete the hospital facility.

The hospital facility will feature a dedicated mental health floor, offering critical services for both paediatric and adult patients experiencing trauma due to the conflict. Given the current conflict, the hospital will become a vital referral centre for children needing prosthetic and orthotic interventions, post-surgical rehabilitation, and long-term psychological support.

Initiative Two

This initiative will comprise three phases:

Phase one would bring top health leaders from the Palestinian Ministry of Health, the private and public health sector, and medical universities to Australia for a two-week visit. The initial delegation will:

- gain exposure to Australia's advanced health system; and
- develop a comprehensive needs assessment report, identifying gaps in the Palestinian health system that Australian expertise can help address through knowledge sharing.

Phase two would include more specialised training visits for sectors within the Palestinian health system. This phase aims to establish systematic improvements that benefit the broader health sector by engaging key leaders within the Palestinian health system.

Phase three would be a meeting in Australia amongst healthcare professionals to discuss ways to improve cooperation between Palestinian and Israeli health institutions.

Funding amount and arrangements, merits review and consultation

Grant funding of \$4.0 million in 2024-25 for the project will be included in the 2025-26 Budget and the Portfolio Budget Statements for the Home Affairs portfolio. Funding for the item will come from Program 2.5: Multicultural Affairs and Citizenship, which is part of Outcome 2.

The department will deliver funding through a one-off ad hoc grant agreement through the Community Grants Hub within the Department of Social Services, with payment upon signing the contract. The grant will be administered in accordance with the Commonwealth resource management framework, including the *Public Governance, Performance and Accountability Act 2013*, the *Public Governance, Performance and Accountability Rule 2014* and the *Commonwealth Grant Rules and Principles 2024*.

The department is in the process of preparing grant opportunity guidelines for publication on the GrantConnect website (www.grants.gov.au). The Minister for Home Affairs will be responsible for the final decision for this expenditure (noting the Minister may delegate decision making to the Secretary of the department).

Independent merits review is not considered suitable for decisions relating to a grant to Rozana as the payment is a one-off ad hoc grant agreement to a certain service provider over other service providers for a specific purpose. No effective remedy could be provided, as a successful application for review by one service provider would require a reduction in funding to other service providers, and there would be delays in channelling funds into service provision.

Further, the grant funding to Rozana is based on a budgetary decision of a policy nature, rather than decisions immediately affecting any particular person's interests. Such decisions are subject to parliamentary scrutiny, and the Minister who makes them will be held politically accountable for any consequences. Accountability mechanisms for the spending of the grant will include ensuring that the criteria for funding are made clear, and decisions are made objectively.

The Administrative Review Council has recognised that it is justifiable to exclude merits review in relation to decisions based on one-off payment and budgetary decisions of a policy nature (see paragraphs 4.16 to 4.19 of the guide, *What decisions should be subject to merit review?*).

Consultation has occurred across government entities, including with the Department of Foreign Affairs and Trade on their Overseas Development Assistance program and due diligence processes, the Department of Health and Aged Care on the initial proposal, the Department of the Prime Minister and Cabinet and the Department of Finance on the process for finalising Government support for the initiative. The department also engaged with a representative from Rozana on the project. Stakeholders consulted were generally supportive of the initiatives.

Constitutional Considerations

Noting that it is not a comprehensive statement of relevant constitutional considerations, the purpose of the item references the external affairs power (section 51(xxix)) of the Constitution.

External affairs power

Section 51(xxix) of the Constitution empowers the Parliament to make laws with respect to 'external affairs'. The external affairs power supports legislation with respect to matters or things outside the geographical limits of Australia.

All funding will be provided to Rozana, which is a Swiss-based international health diplomacy not-for-profit organisation, to implement the proposed initiatives (which are to take place overseas) from overseas.

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 (Home Affairs Measures No. 2) Regulations 2025

This disallowable 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

Section 32B of the *Financial Framework (Supplementary Powers) Act 1997* (the FFSP Act) authorises the Commonwealth to make, vary and administer arrangements and grants specified in the *Financial Framework (Supplementary Powers) Regulations 1997* (the Principal 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 Principal Regulations specify the arrangements, grants and programs. The powers in the FFSP Act to make, vary or administer arrangements or grants may be exercised on behalf of the Commonwealth by 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 *Financial Framework (Supplementary Powers) Amendment (Home Affairs Measures No. 2) Regulations 2025* (the Regulations) amend Schedule 1AB to the Principal Regulations to establish legislative authority for the Government to provide a grant to The Project Rozana Foundation Ltd (Rozana) to deliver The Day After Project (the project). The grant will be administered by the Department of Home Affairs.

The project aims to sponsor health care initiatives that will result in improved health care outcomes for the Middle East and foster social cohesion in Australia. Through the project, the Australian Government will be supporting both immediate humanitarian relief and sustainable development in the Middle East and will thereby reinforce the use of healthcare as a bridge for peacebuilding and cooperation.

Grant funding of \$4.0 million in 2024-25 will support Rozana to deliver two initiatives:

- provide essential equipment to the near completed Al Rahma Rehabilitation Hospital to enable it to serve as a hub for holistic rehabilitation services and deliver critical physical and mental healthcare services; and
- the ‘Work with Few to Influence Many’ program, which aims to empower healthcare leaders, foster partnerships, and enhance Australia’s role in the region.

Human right implications

This disallowable legislative instrument engages with the rights of everyone, including the right of the child to the enjoyment of the highest attainable standard of health – Article 12 of the *International Covenant on Economic, Social and Cultural Rights* (ICESCR), read with

Article 2 and Article 24 of the *Convention on the Rights of the Child* (CRC), read with Article 4.

Right to the enjoyment of the highest attainable standard of health

Article 2 of the ICESCR and Article 4 of the CRC requires that each State Party undertake to take steps to the maximum of its available resources to realise the rights recognised, particularly through legislative measures.

Article 12(1) of the ICESCR recognises the ‘right of everyone to the enjoyment of the highest attainable standard of physical and mental health’. Article 2(d) of the ICESCR sets out the steps to be taken by the States Parties to the present Covenant to achieve the full realisation of this right, including for the creation of conditions which would assure to all medical service and medical attention in the event of sickness.

Article 24(1) of the CRC requires that ‘States Parties recognize the right of the child to the enjoyment of the highest attainable standard of health and to facilities for the treatment of illness and rehabilitation of health. States Parties shall strive to ensure that no child is deprived of his or her right of access to such health care services’.

The UN Committee on Economic Social and Cultural Rights has stated that health is a fundamental human right indispensable for the exercise of other human rights. Every human being is entitled to the enjoyment of the highest attainable standard of health conducive to living a life in dignity.

Initiatives under the project will be invoking Article 12(1) and 2(d) of the ICESCR and Article 24(1) of the CRC. This is because the initiative aims to enhance the capacity of the Occupied Palestinian Territory to treat patients and improve collaboration among health professionals. This includes leveraging the latest technologies to support recovery, treatment, and the long-term well-being of Palestinians.

The project is designed to support a 40-bed inpatient, acute, modern rehabilitation facility catering to the needs of seriously injured children and adults. A dedicated floor will focus on addressing the psychological needs of patients, a crucial component given the current conflict. Al Rahma is expected to play a vital role in the recovery of both children and adults who have sustained severe injuries during the ongoing conflict.

Conclusion

This disallowable legislative instrument is compatible with human rights because it promotes the protection of human rights.

**Senator the Hon Katy Gallagher
Minister for Finance**