

## **EXPLANATORY STATEMENT**

*Australian Institute of Health and Welfare Act 1987*

*Australian Institute of Health and Welfare (Contracts) Regulation 2016*

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

Paragraph 23(a) of the Act provides that the Australian Institute of Health and Welfare (the AIHW) must seek the written approval of the Minister for Health and Aged Care (the Minister) before entering into a contract involving the payment or receipt by the AIHW of an amount exceeding \$200,000 or such higher amount as prescribed. The Act does not limit the contract amount that may be prescribed.

An amount of \$1,500,000 was prescribed in the Australian Institute of Health and Welfare Regulations on 13 December 2006. The regulations contain no other substantive provisions. The regulations are due to sunset on 1 April 2017. Remaking of the regulations prior to sunset will avoid reversion of the contract value to \$200,000 as specified in paragraph 23(a) of the Act.

The purpose of the Australian Institute of Health and Welfare (Contracts) Regulation 2016 (the Regulation) is to repeal and remake the regulations and prescribe an amount of \$3,000,000. The Regulation will reduce the burden of regulation and red tape. It will create administrative efficiencies by reducing the number of submissions that must be sent to the Minister by the AIHW for approval and streamline processes for the AIHW to enter contracts up to \$3,000,000. The increased contract amount is commensurate with the AIHW's standing as a mature corporate Commonwealth entity with 30 years' operational experience, its recent expansion by assuming the functions and some staff of the former National Health Performance Authority, and the significant increase in its budgeted expenditure and revenue over the ten years since the 2006 regulations were made.

The Act specifies no prerequisites or conditions that must be satisfied before the power to make the Regulation is exercised.

Consultation on the Regulation was not required as increasing the prescribed amount is of a machinery nature and does not substantially alter existing arrangements. No documents are incorporated into the Regulation by reference.

The Regulation commences on the day after it is registered on the Federal Register of Legislation.

The Regulation is a legislative instrument for the purposes of the *Legislation Act 2003*.

## **Statement of Compatibility with Human Rights**

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

### **Australian Institute of Health and Welfare (Contracts) Regulation 2016**

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 Disallowable Legislative Instrument**

Paragraph 23(a) of the *Australian Institute of Health and Welfare Act 1987* provides that the Australian Institute of Health and Welfare (the AIHW) must seek the written approval of the Minister for Health and Aged Care (the Minister) before entering into a contract involving the payment or receipt by the AIHW of an amount exceeding \$200,000 or such higher amount as prescribed.

The Disallowable Legislative Instrument repeals the Australian Institute of Health and Welfare Regulations 2006, which prescribed a contract amount of \$1,500,000, and remakes the regulation increasing the prescribed amount to \$3,000,000. The Instrument reduces the burden of regulation and red tape. It creates administrative efficiencies by reducing the number of submissions that must be sent to the Minister by the AIHW for approval and streamlines processes for the AIHW to enter contracts up to \$3,000,000.

#### **Human rights implications**

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

#### **Conclusion**

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