

EXPLANATORY STATEMENT

Issued by the Authority of the Minister for Finance

Financial Framework (Supplementary Powers) Act 1997

Financial Framework (Supplementary Powers) Amendment (Health, Disability and Ageing Measures No. 1) 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 (Health, Disability and Ageing Measures No. 1) Regulations 2025* (the Regulations) amend Schedule 1AB to the Principal Regulations to establish legislative authority for government spending on the National Paediatric Telecare Service (NPTS) to be administered by the Department of Health, Disability and Ageing.

The NPTS aims to provide telehealth access to multidisciplinary services for developmentally vulnerable children in rural and remote communities attending preschools and primary schools, that have limited access to local services. The NPTS also provides training and education for parents and educators to improve their ability to support children's developmental health needs and engage with support services.

Grant funding of \$3.4 million in 2025-26 will be provided to the Royal Far West to deliver the NPTS.

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 Health, Disability and Ageing.

Details of the *Financial Framework (Supplementary Powers) Amendment (Health, Disability and Ageing Measures No. 1) Regulations 2025*

Section 1 – Name

This section provides that the title of the Regulations is the *Financial Framework (Supplementary Powers) Amendment (Health, Disability and Ageing Measures No. 1) 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 establish legislative authority for government spending on an activity to be administered by the Department of Health, Disability and Ageing (the department).

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

This item adds one new table item to Part 4 of Schedule 1AB.

Table item 715 – National Paediatric Telecare Service

New **table item 715** establishes legislative authority for government spending on the National Paediatric Telecare Service (NPTS).

The objective of the NPTS is to provide telehealth access to multidisciplinary services for developmentally vulnerable children in rural and remote communities, attending preschools and primary schools, that have limited access to local services. According to the Australian Early Development Census, developmentally vulnerable children are generally defined as those who are ‘in the lowest ten per cent in at least one of the five developmental domains: social, emotional, physical, cognitive and language’.

The Royal Far West (RFW), a national charity founded by Stanley Drummond in 1924 has received funding of \$22.0 million from the Government to provide the NPTS since 2018-19. Its mission is to improve the health and wellbeing of children who live in rural and remote communities. Since 2014, RFW has provided allied health therapy to country children in country school via technology. RFW provides multidisciplinary health, education and disability services for country children aged up to 12 at its Centre for Country Kids in Manly, via telecare and through community outreach. RFW's multidisciplinary team consists of 140+ paediatric clinicians, including psychiatrists, paediatricians, psychologists, speech pathologists, occupational therapists and other allied health professionals.

Since establishment, the NPTS has been delivered over four phases. The first phase encompassed funding supporting capital infrastructure for allied health telecare services to reduce the impact of development delay in children in rural and remote areas of Australia, including those from First Nations background.

Phase two focused on developing and embedding the infrastructure components to support the telehealth model, allied health workforce recruitment, and capacity building of educators in partner schools. This phase saw the delivery of telecare services (speech, occupational therapy and psychology), reaching more children in the existing schools footprint.

Phase three focused on roll out and growth of the model. This included recruiting additional clinicians and clinical support, establishing new school partnerships and delivering services to new schools in existing geographies, beginning groundwork to deliver telecare into new locations and increasing training, and capacity building for educators in partner schools.

The NPTS is now in the final year (Phase four) of funding and working to expand telecare services to new schools in new locations where RFW has not previously delivered services. This is based on need and sustainability, recruitment of additional clinicians and clinical support, and increased training and capacity building for educators in partner schools.

The NPTS has achieved over 30,000 total beneficiaries against a target of 25,000 over the life of the program from 2018-19 to 2024-25. This includes direct (individual children) and indirect beneficiaries (parents, educators and schools).

In 2024-25, the Government agreed to extend the NPTS by another 12 months with additional funding of \$3.4 million in 2025-26 to support the following eligible activities:

- to support and meet the need of developmental vulnerable children and families in rural and remote areas through a combination of screening, assessment, therapy and capability building services;
- build, maintain and upgrade infrastructure (people and systems) to provide efficient and effective developmental care via telecare to children in the hardest to reach rural communities;
- expand reach of allied health support via technology to more schools and parents in need for the services;
- reduce the future need for specialist services by empowering children, parents and educators to address emerging developmental and mental health challenges early;
- increase awareness of development health issues in rural and remote communities;
- increase confidence of parents to navigate complex health, education and support systems for their children;

- increase access to professional development activities for early childhood educators and teachers, focused on developmental health; and
- establish, expand and upgrade back-end and client facing IT systems and infrastructure to support the program at scale.

According to the Australian Institute of Health and Welfare, fewer health services are accessible to Australia's regional communities than in the cities, leading to poorer health outcomes for children in regional areas. Allied health workers in rural and remote areas serviced a population at least five times greater than their metropolitan counterparts, and psychologists in very remote Australia had a clinical load 12.2 times higher than their city colleagues. In many rural and remote communities, there were almost no allied health services for children who were considered developmentally vulnerable.

At the same time, there is a growing prevalence of developmental, behavioural and mental health concerns amongst rural and regional children and a corresponding need for intervention and support. According to RFW, one in six (16.2 per cent) children living in rural areas have mental health problems. The National Mental Health Commission has identified a critical gap in prevention and early intervention resources, supports and services for children.

In July 2017, RFW released a position paper on *Supporting Childhood Development in Regional, Rural and Remote Australia* with key facts ascertaining that physical, emotional and social development attained in childhood sets a trajectory for long term outcomes in health, education and well-being. Delays or vulnerabilities are linked with poor educational outcomes, disability, chronic mental health problems and a higher risk of unemployment, personal relationship difficulties, contact with the criminal justice system and homelessness.

Reducing childhood vulnerability and improving developmental health outcomes for children in Australian rural communities will make a significant contribution to stronger families and stronger regions into the future. In particular, early intervention for developmentally vulnerable children plays a critical role in reducing mental health concerns and chronic illness amongst young people.

These findings underline the critical need to implement initiatives, such as the NPTS, to improve the developmental health of children in rural and remote communities by providing paediatric telecare multidisciplinary services for children with developmental vulnerability and their parents and educators.

Funding amount and arrangements, merits review and consultation

Grant funding of \$3.4 million for the NPTS was included in the 2024-25 Mid-Year Economic and Fiscal Outlook under the measure 'Strengthening Medicare' for a period of one year in 2025-26. Details are set out in the *Mid-Year Economic and Fiscal Outlook 2024-25, Appendix A: Policy decisions taken since the 2024-25 Budget*, at pages 267 to 271.

Funding for this item will come from Program 1.6: Primary Health Care Quality and Coordination, which is part of Outcome 1. Details are set out in the *Portfolio Additional Estimates Statements 2024-25, Health and Aged Care Portfolio* at page 42, which shows funding as part of a broader measure - Strengthening Medicare.

A closed non-competitive grant process will be used to allocate this funding. The grant will be administered by the Community Grants Hub in accordance with the Commonwealth resource management framework, including the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), the *Public Governance, Performance and Accountability Rule 2014* and the *Commonwealth Grants Rules and Principles 2024* (CGRPs).

Consistent with the CGRPs, the department will develop grant opportunity guidelines and will have regard to the nine key principles in administering the grant. Notification for the grant and the grant opportunity guidelines will be published on the GrantConnect website (www.grants.gov.au) in accordance with the CGRPs.

Final funding decisions for the NPTS will be made by a delegate of the Minister for Health and Ageing in accordance with the PGPA Act and the *Financial Framework (Supplementary Powers) Act 1997* (FFSP Act). The delegate will be a Senior Executive Service at Band 1 level and have appropriate experience and knowledge to exercise this function. The delegate will perform their powers consistent with the PGPA Act and the FFSP Act.

The Commonwealth standard grant conditions between the department and grantee has a number of safeguards for the department, which can be invoked where the grantee is not performing the expected duties. For example, the department can reduce, suspend, terminate, cancel the grant and/or recover monies from the grantee.

Independent merits review would not be appropriate for this grant because the funding decision will relate to the allocation of finite resources and an allocation already made from the funding would be affected by overturning the original decision. The Administrative Review Council (ARC) has recognised that it is justifiable to exclude merits review in relation to decisions of this nature (see paragraphs 4.11 to 4.19 of the guide, *What decisions should be subject to merit review?*).

The ARC does consider that administrative accountability in relation to such allocative decisions should be given greater emphasis, including ensuring that:

- the processes of allocating funds are fair;
- the criteria for funding are made clear; and
- decisions are made objectively.

The review and audit process undertaken by the Australian National Audit Office also provides a mechanism to review Australian Government spending decisions and report any concerns to the Parliament. These requirements and mechanisms help to ensure the proper use of Commonwealth resources and appropriate transparency around decisions relating to making, varying or administering arrangements to spend relevant money.

Further, the right to review under section 75(v) of the Constitution and review under section 39B of the Judiciary Act 1903 may also be available. Persons affected by spending decisions would also have recourse to the Commonwealth Ombudsman where appropriate.

Since 2018-19, the department has a long history of engagement with the RFW regarding the NPTS. The RFW was consulted on the upcoming new grant opportunity through bilateral meetings with the department and the Community Grants Hub within the Department of Social Services. Further consultation will be taken with RFW to inform the development of

the new grant guidelines. Regular quarterly meetings are planned between RFW, the department and Community Grants Hub. The most recent quarterly meeting occurred on 21 May 2025.

The Primary Health Network and Partnerships branch and allied health policy teams within the department were also consulted to ensure the NPTS program remains relevant to intended treatment and prevention activities.

Constitutional considerations

Noting that it is not a comprehensive statement of relevant constitutional considerations, the objective of the item references the communications power (section 51(v)) of the Constitution.

Communications power

Section 51(v) of the Constitution empowers the Parliament to make laws with respect to ‘postal, telegraphic, telephonic and other like services’.

All services to be funded under the NPTS will be delivered online or over the telephone.

Statement of Compatibility with Human Rights

Prepared in accordance with Part 4 of the *Human Rights (Parliamentary Scrutiny) Act 2011*

Financial Framework (Supplementary Powers) Amendment (Health, Disability and Ageing Measures No. 1) 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 (Health, Disability and Ageing Measures No. 1) Regulations 2025* (the Regulations) amend Schedule 1AB to the Principal Regulations to establish legislative authority for government spending on the National Paediatric Telecare Service (NPTS).

The NPTS will be administered by the Department of Health, Disability and Ageing.

The NPTS aims to provide telehealth access to multidisciplinary services for developmentally vulnerable children in rural and remote communities attending preschools and primary schools, that have limited access to local services. The NPTS also provides training and education for parents and educators to improve their ability to support children's developmental health needs and engage with support services.

Grant funding of \$3.4 million in 2025-26 will be provided to the Royal Far West to deliver the NPTS.

Human rights implications

This disallowable legislative instrument engages the following rights:

- the right to family life - Article 10 of the *International Covenant on Economic, Social and Cultural Rights* (ICESCR), read with Article 2;
- the right to health - Article 12 of the ICESCR; and
- the rights of the child - Articles 3, 18, 19, 23, 24, 25 and 29 of the *Convention of the Rights of the Child* (CRC), read with Article 4.

Right to family life

Article 2(1) of the ICESCR requires each State Party to ‘take steps... to the maximum of its available resources, with a view to achieving progressively the full realization’ of the rights recognised in the ICESCR ‘by all appropriate means, including particularly the adoption of legislative measures’.

Article 10 of the ICESCR requires each State Party to take the necessary steps to accord the widest possible protection and assistance to the family and that special measures of protection and assistance should be taken on behalf of all children and young persons without any discrimination for reasons of parentage or other conditions.

The NPTS aims to support the normal social, emotional, physical, cognitive and language development of vulnerable children.

Right to health

The right to the enjoyment of the highest attainable standard of physical and mental health is contained in Article 12(1) of the ICESCR. The Committee has stated that the right to health is not a right for each individual to be healthy, but is a right to a system of health protection which provides equality of opportunity for people to enjoy the highest attainable level of health, and to that end, the steps to be taken by States Parties to achieve the full realisation of this shall include those necessary for the reduction of the stillbirth-rate and of infant mortality and for the healthy development of the child’ (Article 12(2)(a)).

The NPTS aims to provide medical treatment and services to treat or diagnose medically recognised health conditions or sicknesses.

Rights of the child

Article 3 of the CRC requires each State Party to act in the best interests of the child in all actions concerning children.

Article 4 of the CRC requires that parties to the CRC shall undertake all appropriate legislative, administrative, and other measures for the implementation of all rights under the CRC.

Article 18 of the CRC requires each State Party to ‘render appropriate assistance to parents and legal guardians in the performance of their child-rearing responsibilities and ensuring the development of institutions, facilities and services for the care of children’.

Article 19 of the CRC requires that each State Party shall take all appropriate measures to protect the child from all forms of physical or mental violence, injury or abuse, neglect or negligent treatment, maltreatment or exploitation, including sexual abuse, while in the care of a parent.

Article 23 of the CRC recognises the special needs of a disabled child and the right of the disabled child to special care.

Article 24 of the CRC recognises 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. Steps to be taken by States Parties to achieve this right shall include measures that ensure the provision of necessary medical assistance and health care to all children with emphasis on the development of primary health care (Article 24(2)(b)) and to develop preventive health care, guidance for parents, and family planning education and services (Article 24(2)(f)).

Article 25 of the CRC recognises the right of a child who has been placed for the purposes of care, protection or treatment of his or her physical or mental health, to a periodic review of the treatment provided to the child and all other circumstances relevant to his or her placement.

Article 29 of the CRC recognises that the education of the child shall be directed to the development of the child's personality, talents and mental and physical abilities to their fullest potential, and the preparation of the child for responsible life in a free society.

The NPTS will support the rights of the child through the delivery of treatment by allied health workers (psychologists, social workers, occupational therapists and speech therapists) to address developmental vulnerability in children, even where this delay does not amount to a disability or recognised medical condition, by providing care and assistance for children with disabilities, and by targeting 'developmentally vulnerable' children in rural and remote areas. The NPTS therefore supports developmentally vulnerable children, and aims to improve the quality of life of this cohort.

Conclusion

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

Senator the Hon Katy Gallagher
Minister for Finance