

EXPLANATORY STATEMENT

Issued by the Authority of the Minister for Finance

Financial Framework (Supplementary Powers) Act 1997

Financial Framework (Supplementary Powers) Amendment (Employment and Workplace Relations 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 (Employment and Workplace Relations Measures No. 1) Regulations 2025* (the Regulations) amend Schedule 1AB to the Principal Regulations to establish legislative authority for government spending on the Norfolk Island Employment Support Program (the program). The program will be administered by the Department of Employment and Workplace Relations.

The program consolidates the services and supports previously provided through the following programs: Employment Services, the Disability Employment Services, and the Vocational Education and Training Financial Assistance Initiative.

The program responds to recommendations made in the *Rebuilding Employment Services Report* and is aligned with the Government's commitment to introducing employment reforms which are place-based, designed for specific communities, and with unique circumstances and labour markets. The program brings together supports designed to enhance local services for Norfolk Islanders with employment needs including those with a disability, parents, mature-aged, youth and long-term unemployed individuals.

Funding of \$0.2 million will be provided over three years from 2025-26 to a locally based organisation, Asuria People Services Pty Limited, to:

- assist eligible residents of Norfolk Island to build skills and knowledge to address barriers to employment, through tailored support, while still delivering the unique characteristics of the new specialist disability employment program for people with disability;
- assist eligible residents of Norfolk Island to identify their future aspirations, education and employment goals and access appropriate support available to progress these;
- support eligible employers to understand and address their workforce needs;
- play a leading role in promoting collaborative working relationships with key stakeholders to support social and economic outcomes; and
- support the newly arrived residents to understand and engage in the Norfolk Island community and economy.

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 Employment and Workplace Relations.

Details of the *Financial Framework (Supplementary Powers) Amendment (Employment and Workplace Relations Measures No. 1) Regulations 2025*

Section 1 – Name

This section provides that the title of the Regulations is the *Financial Framework (Supplementary Powers) Amendment (Employment and Workplace Relations 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 Employment and Workplace Relations (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 739 – Norfolk Island Employment Support Program

New **table item 739** establishes legislative authority for government spending on the Norfolk Island Employment Support Program (the program).

The program broadly aligns with the *Rebuilding Employment Services Report* (the Report) and the *Regional Development Australia Regional Plan for Norfolk Island 2024-2026* (RDA Regional Plan).

The Report (www.aph.gov.au/Parliamentary_Business/Committees/House/Former_Committees/Workforce_Australia_Employment_Services/WorkforceAustralia/Report), issued by the House of Representatives Select Committee on Workforce Australia Employment Services on 30 November 2023, recommended tailored locally responsive employment services.

The Government's response to this report included a commitment that it would consider further investments in regional and place-based employment services to better connect people with local labour markets, and to better meet the specific needs of people and businesses of a region. The program reflects this commitment. The program also supports principle 9 (Partnering with communities) of the Australian Government's White Paper on Jobs and Opportunities.

Regional Development Australia (RDA) Mid North Coast (RDAMNC) published the first RDA Regional Plan in February 2024, outlining the identified needs and priorities of Norfolk Island. RDAMNC is a Commonwealth-funded, independent body advocating for, and promoting the development of, the regions of the Mid North Coast, Lord Howe Island and Norfolk Island. The RDA Regional Plan outlines priority areas under the Government's Regional Investment Framework for Norfolk Island. Its objectives include investing in people by increasing access to education and opportunities, improving access to labour, and enhancing cyber security awareness and digital literacy.

On 1 July 2025, the Minister for Employment and Workplace Relations announced the commencement of a package of employment services reform measures, which included the program (<https://ministers.dewr.gov.au/rishworth/real-wage-increase-today-nearly-3-million-workers>).

The program brings together the services and supports previously provided through the following programs: Employment Services (Norfolk Island), the Disability Employment Services and the Vocational Education and Training Financial Assistance Initiative (VETFAI).

The program's objectives are to:

- assist eligible residents of Norfolk Island to build skills and knowledge to address barriers to employment, through tailored support, while still delivering the unique characteristics of the new specialist disability employment program for people with disability. For example, resume building, employment skills training, assistance with work-related purchases, wage subsidies, job placement support, or referrals to other services;
- assist eligible residents of Norfolk Island to identify their future aspirations and education and employment goals and access appropriate support available to progress these. For example, subsidising vocational education and training (VET) fees, reimbursing travel and accommodation for required in-person course elements, discussing local job opportunities and providing guidance to career planning resources;
- support eligible employers to understand and address their workforce needs. For example, provide guidance to employers on how to create accessible, safe and inclusive workplaces to help them confidently manage employees with disabilities; or support employers with job design and job customisation;

- play a leading role in promoting collaborative working relationships with key stakeholders to support social and economic outcomes. For example, chair and lead an on-island reference group that includes relevant stakeholders on Norfolk Island; and
- support the newly arrived residents to understand and engage in the Norfolk Island community and economy. For example, develop and distribute resources on remote living challenges (such as available supplies and retail options), local customs, Norfolk Island's history, sources of guidance and support, and ways to connect with the community.

The program support is divided into two categories:

- Category 1 covers participants required to participate due to receiving an income support payment with mutual obligation or compulsory participation requirements; and
- Category 2 includes Norfolk Island residents who choose to participate in the service voluntarily.

To qualify for VET assistance, participants must:

- be at least 15 years old or in Year 10; those under 15 need principal approval;
- enrol in an eligible VET course;
- meet course and Queensland funded program eligibility, except for Queensland residency;
- be an Australian/New Zealand citizen, permanent resident (including humanitarian entrants), or a temporary resident with appropriate visa and work rights on a path to permanent residency;
- live on Norfolk Island for the entire duration of the course;
- not receive other government funding for the same course; and
- not receive VET Assistance for more than two courses in four years, unless exceptional circumstances apply.

The program is being delivered by a locally based organisation, Asuria People Services Pty Limited (Asuria), responsible for both the client servicing and employer servicing.

Client servicing includes:

- tailored support to address vocational and non-vocational needs of eligible residents of Norfolk Island (people with a disability, parents, youth etc) to prepare for, find and maintain employment, including increased focus on upskilling locals;
- sourcing and referral to job opportunities and Post Placement Support;
- financial support to overcome difficulties in finding or keeping employment;
- access to funding through JobAccess for ongoing support, including workplace adjustments;
- provision of dedicated space, facilities and internet access; and
- students receive subsidised support for approved courses and related fees.

Employer servicing includes:

- work with employers on inclusive recruitment/workplace practices, understanding recruitment needs and requirements as sponsors, identifying job opportunities and finding suitable candidates;
- support employers who are unable to secure local employees, to source them through other means; and

- support employers to access financial support, including JobAccess and wage subsidies, and other government initiatives and supports, with a focus on supporting retention.

Asuria can support participants with employment-related expenses such as clothing for job interviews, licensing fees, or driving lessons, and may also offer wage subsidies to employers. VET Assistance helps residents access VET training on mainland Australia and covers necessary travel costs for required in-person course components.

All financial support is allocated from the funding Asuria receives for delivering the program. JobAccess funding is administered according to its own guidelines, with Asuria assisting applicants through the process.

Funding amount and arrangements, merits review and consultation

Funding of \$0.2 million for the program was included in the 2024-25 Mid-Year Economic Fiscal Outlook under the measure 'Employment Services Reform – additional supports' for a period of three years commencing in 2025-26 (and \$0.1 million per year ongoing). 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 page 245.

Funding for this item will come from Program 1.1: Employment Services, which is part of Outcome 1. Details are set out in the *Portfolio Additional Estimates Statements 2024-25, Employment and Workplace Relations Portfolio* at page 21.

The program will be delivered through a limited tender process, which was finalised in June 2025 with Asuria as the successful entity. Information about the resultant contract is available on AusTender at www.tenders.gov.au (ref: CN4169208).

The procurement was undertaken in accordance with applicable legislative requirements under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule) and the *Commonwealth Procurement Rules* (CPRs). This decision was based on value for money, including capability and capacity to deliver, and price and risk considerations.

The Senior Executive Service Band 2 level of Territories division approved the contract with appropriate delegations under the PGPA Act, CPRs and Accountable Authority Instructions and has oversight of all service delivery arrangements to Australian External Territories and holds the relevant authority to appropriately perform this function.

From 1 July 2025, the program will be administered by the department. Any further decisions to vary or extend the contract with Asuria will be based on value for money, including capability and capacity to deliver, and price and risk considerations in accordance with the department's Accountable Authority Instructions, as made by the Accountable Authority's delegate.

Procurement decisions or assistance provided to employers, made in connection with the program are not considered suitable for independent merits review, as they are decisions relating to the allocation of a finite resource, from which all potential claims for a share of the resource cannot be met. In addition, any funding that has already been allocated would be affected if the original decision was overturned. The Administrative Review Council 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 remaking of a procurement decision after entry into a contractual arrangement with a successful provider is legally complex, impractical, and could result in delays to providing services to platform users. The *Government Procurement (Judicial Review) Act 2018* enables suppliers to challenge some procurement processes for alleged breaches of certain procurement rules. This legislation might provide an additional avenue of redress (compensation or injunction) for dissatisfied providers or potential providers, depending on the circumstances. Further to this, merits review would not be appropriate for procurement decisions because Asuria is the only provider located on Norfolk Island which delivers the type of services required.

Norfolk Island residents who access employment services may be required to enter into an employment pathway plan and be required to perform certain activities to receive jobseeker payments under the social security law. To the extent that decisions are made in relation to residents' jobseeker payments, residents have an existing right to seek merits review of those decisions under the *Social Security (Administration) Act 1999*.

In 2022, the department undertook a consultation process with Norfolk Island stakeholders, including community representatives, local businesses and local government, as well as with Commonwealth agencies. The consultations identified ineffective coordination of local services and the need for stronger community engagement and improved connections between employment and other vocational and non-vocational services to better support Norfolk Island residents. Likewise, better linking of business to potential employees was raised as an area needing to be strengthened, particularly in recognition of the limited available local workforce. Labour shortages, as well as other thin market factors, such as skills shortages, were raised consistently and identified a need for measures to support the sustainment of the labour market, such as supporting locals to upskill, additional support for employers to secure available workers through other mechanisms, enhanced post placement support and so on.

Challenges associated with internet accessibility were reported, as well as a lack of digital literacy, particularly with middle-aged and older people (which form the majority of the current caseload of job seeker participants on Norfolk Island). This was a factor in the unanimous and strong support for continued face to face servicing on the island. The program has been designed to address the issues raised through consultation and the unique circumstances on Norfolk Island.

The specifics of the program were developed in consultation between the department, the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts (DITRDCA), and the Department of Social Services (DSS). An ongoing interdepartmental working group was formed and chaired by DITRDCA, with members from the department and DSS to ensure intended benefits are realised and needs of the community continue to be met.

Constitutional considerations

Noting that it is not a comprehensive statement of relevant constitutional considerations, the objective of the item references the territories power (section 122) of the Constitution.

Territories power

Section 122 of the Constitution empowers the Parliament to ‘make laws for the government of any territory’.

The program will enhance employment services and support for Norfolk Island residents by helping individuals find and retain jobs, access vocational training, overcome employment barriers including tailored assistance for residents with disabilities and, new residents. The program provides supports to employers, who employ residents of Norfolk Island, through wage subsidies and assistance with accessing immigration streams to address labour shortages. The program will also establish a community reference group, comprising of Norfolk Island residents to improve economic and social participation.

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 (Employment and Workplace Relations 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 (Employment and Workplace Relations Measures No. 1) Regulations 2025* (the Regulations) amend Schedule 1AB to the Principal Regulations to establish legislative authority for government spending on the Norfolk Island Employment Support Program (the program). The program will be administered by the Department of Employment and Workplace Relations.

In response to employment reforms, the program will consolidate the services and supports previously provided through the following programs: Employment Services, the Disability Employment Services, and the Vocational Education and Training Financial Assistance Initiative. The program will bring together supports designed to enhance local services for Norfolk Islanders with employment needs including those with a disability, parents, mature-aged, youth and long-term unemployed individuals.

Funding of \$0.2 million will be provided over three years from 2025-26 to a locally based organisation, Asuria People Services Pty Limited, to:

- assist eligible residents of Norfolk Island to build skills and knowledge to address barriers to employment, through tailored support, while still delivering the unique characteristics of the new specialist disability employment program for people with disability;
- assist eligible residents of Norfolk Island to identify their future aspirations, education and employment goals and access appropriate support available to progress these;
- support eligible employers to understand and address their workforce needs;
- play a leading role in promoting collaborative working relationships with key stakeholders to support social and economic outcomes; and

- support the newly arrived residents to understand and engage in the Norfolk Island community and economy.

Human rights implications

This disallowable legislative instrument engages the right to work – Article 6 of the *International Covenant on Economic, Social and Cultural Rights* (ICESCR), read with Article 2, Article 1 of the International Labour Organization’s *Convention concerning Employment Policy* (ILO Convention 122), Article 1 of the International Labour Organization’s *Convention concerning the Organisation of the Employment Service* (ILO Convention 88), and Articles 1 to 4 of the International Labour Organization’s *Convention concerning Vocational Guidance and Vocational Training in the Development of Human Resources* (ILO Convention 142).

Right to work

Article 2 of the ICESCR requires that each State Party to the Covenant to undertake to take steps to the maximum of its available resources, especially economic and technical, to realise the rights recognised in the Covenant, particularly through legislative measures and, without discrimination.

Article 6 of the ICESCR recognises the right to work and provides that the States Parties will take appropriate steps to achieve the realisation of the right to work, including through technical and vocational training.

Article 1 of the ILO Convention 122 provides that ‘each Member shall declare and pursue, as a major goal, an active policy designed to promote full, productive and freely chosen employment’.

Article 1 of the ILO Convention 88 provides that Members shall maintain a free public employment service, which in co-operation with other public and private bodies concerned, ensures the best possible organisation of the employment market to achieve and maintain full employment and the productive use of resources.

Articles 1 to 4 of the ILO Convention 142 relate to the adoption and development of comprehensive and coordinated policies and programs of vocational guidance and training, including providing broadest possible information and guidance, which are closely linked with employment for all people.

This disallowable legislative instrument will directly promote the right to work through the program by providing employment related incentives and supports to the residents of Norfolk Island. The program will enhance employment services and support for Norfolk Island residents by helping individuals find and retain jobs, access vocational training and overcome employment barriers, including tailored assistance for people with disabilities and new residents.

The program also provides supports to employers through wage subsidies and access to immigration pathways to address labour shortages. These aspects of the measure will promote the right to work by incentivising employers to create job vacancies for Norfolk Island residents or foreign nationals who would become residents of Norfolk Island for the purpose of addressing labour shortages. The program will also support the establishment of a community reference group to improve economic and social participation for all residents of Norfolk Island. This disallowable legislative instrument will promote the right to work through the program by encouraging Norfolk Island residents to engage in a discourse about employment related issues.

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**