

EXPLANATORY STATEMENT

Issued by the Authority of the Treasurer and the Minister for Finance

Medical Research Future Fund Act 2015

Medical Research Future Fund (Crediting of Amounts) Determination 2020

Notes on Sections

Section 1 – Name

Section 1 provides for the determination to be cited as the *Medical Research Future Fund (Crediting of Amounts) Determination 2020*.

Section 2 – Commencement

Section 2 provides that the determination commences on the day after it is registered on the Federal Register of Legislation.

Section 3 – Authority

Section 3 provides that paragraph 15(1)(a) of the *Medical Research Future Fund Act 2015* (the Act) allows the responsible Ministers to determine, by writing that a specified amount is to be credited to the Medical Research Future Fund (MRFF) Special Account on a specified day.

Section 4 – Crediting of Amounts

Section 4 provides that the determination credits \$3,212,050,668.00 to the MRFF Special Account on 21 July 2020. The amount of the credit represents the estimated value of health function savings published in the 2014-15 Budget, adjusted for subsequent policy decisions.

Outline

Subsection 15(2) of the Act provides that in making a determination, the responsible Ministers must (subject to subsection 15(4)) have regard to the object of the Act as set out in section 3, which is to improve the health and wellbeing of Australians by establishing the MRFF to provide grants of financial assistance to support medical research and medical innovation. The determination supports the object by contributing to a secure ongoing revenue stream provided by the MRFF.

Subsection 15(3) of the Act provides that the determination is a legislative instrument for the purpose of the *Legislation Act 2003* but is not subject to disallowance under section 42 of the *Legislation Act 2003*.

Consultation

In accordance with section 17 of the *Legislation Act 2003*, consultation has occurred with the Department of the Treasury, the Future Fund Management Agency, the Australian Office of Financial Management and the Reserve Bank of Australia on a mutually agreed date to transfer the crediting amount from the Consolidated Revenue Fund to the MRFF Special Account.

The Office of Best Practice Regulation (OBPR) has advised that the proposal is not likely to have a regulatory impact on business, community organisations or individuals, therefore a Regulation Impact Statement is not required (OBPR ID: 25205).

The Hon Josh Frydenberg MP

Treasurer

Senator the Hon Mathias Cormann

Minister for Finance