

**Senate Finance and Public Administration Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**SUPPLEMENTARY BUDGET ESTIMATES 2015-16**

Finance Portfolio  
20 October 2015

**Department/Agency:** Department of Finance

**Outcome/Program:** 2/2.7

**Topic:** Medical Research Future Fund

**Senator:** Wong

**Question reference number:** F82

**Type of question:** Written

**Date set by the committee for the return of answer:** Friday, 4 December 2015

**Number of pages:** 2

**Question:**

1. Have any payments been made out of the Medical Research Future Fund for the purposes of research investments?
2. Looking at the Finance 2015-16 Portfolio Budget Statements on page 61, there was \$10 million estimated to be spent this year (that is \$10 million that was to be transferred to the special account for projects)? Has any of this expenditure occurred yet?
3. Can the Department provide a list of projects that were going to receive the 2015-16 funding?
4. Referring to the answer to question on notice F54 from the Budget Estimates round, which has the list of all the savings that were going to go into the MRFF – how much of the total savings that were supposed to go into the MRFF have not passed the Parliament? What does this mean in relation to the estimated investments that are to be made?
5. Now that the MRFF has been established, what is the rate of return for the fund?
6. Can the Department detail the types of investments being made for the purposes of the MRFF? That is, what types of investments are being made in order for the MRFF to return the amount of expenditure required to provide the research payments?

**Answer:**

1. No.
2. No.
3. No. A number of supporting arrangements for the MRFF need to be implemented prior to the determination of projects which will receive funding. These will be managed by the Minister for Health and include the establishment of the Australian Medical Research Advisory Board. Once established, the Advisory Board will set the Australian Medical Research and Innovation Strategy and the Australian Medical Research and Innovation Priorities for medical research and medical innovation. The Minister for Health must take the Australian Medical Research and Innovation Priorities into account when making decisions.

4. The *Simplifying Medicare safety net arrangements* and the *Pharmaceutical Benefits Scheme – increase in co-payments and safety net thresholds* savings have not passed the Parliament. The impact on the estimated MRFF investment from the delayed Pharmaceutical Benefits Scheme measure, which was due to commence on 1 January 2015, will be dependent on the timing of legislation passing Parliament. The Medicare safety net measure is scheduled to commence on 1 January 2016.
5. The responsible Ministers issued the Future Fund Board of Guardians with an investment mandate in accordance with section 39 of the *Medical Research Future Fund Act 2015* on 8 November 2015. The investment mandate specifies the benchmark rate of return and can be found on the Federal Register of Legislative Instruments under the title *Medical Research Future Fund Investment Mandate Direction 2015*.
6. The Future Fund Board of Guardians will independently determine appropriate financial asset investments for the MRFF in line with the *Medical Research Future Fund Act 2015* and the investment mandate.