

EXPLANATORY STATEMENT

Issued by authority of the Assistant Minister for Competition, Charities and Treasury

International Monetary Agreements Act 1947

International Monetary Agreements (New Arrangements to Borrow—Notice of Decision of the Fund No. 1) Instrument 2025

Subsection 8B(3) of the *International Monetary Agreements Act 1947* (the Act) provides that the Treasurer may, by legislative instrument, give notice of an amendment or renewal of the New Arrangements to Borrow by a decision of the Executive Board of the International Monetary Fund (Fund).

The purpose of the *International Monetary Agreements (New Arrangements to Borrow—Notice of Decision of the Fund No. 1) Instrument 2025* (the Instrument) is to give notice that the New Arrangements to Borrow has been renewed for a period of 5 years commencing from 1 January 2026.

Section 8B of the Act provides a mechanism for amounts to be appropriated and paid out of the Consolidated Revenue Fund to enable Australia to carry out its obligations under the New Arrangements to Borrow.

The New Arrangements to Borrow is a voluntary multilateral borrowing agreement between the Fund and 40 member countries that allows the Fund to borrow from those members, when required, to maintain stability in the global economy. On 19 July 2024, the Executive Board of the Fund decided to renew the New Arrangements to Borrow for 5 years from 1 January 2026 and make other minor amendments.

The Act does not specify any conditions that need to be satisfied before the power to make the Instrument may be exercised.

Consultation was not undertaken as the Instrument relates to Australia continuing its participating in the New Arrangements to Borrow. The New Arrangements to Borrow are a long-standing international arrangement and the Instrument merely renews Australia's participation. While the Fund's decision also makes minor amendments, the Instrument does not create any new substantive obligations that would require a broader consultation.

The Instrument is a legislative instrument for the purposes of the *Legislation Act 2003*. The Instrument is subject to disallowance, but the Instrument is not subject to sunseting in accordance with table item 1 of section 11 of the *Legislation (Exemptions and Other Matters) Regulation 2015*.

The Instrument commences on the day after the last day on which a motion to disallow the instrument under section 42 of the *Legislation Act 2003* could be passed. The Instrument will not commence at all if the Instrument is disallowed or taken to have been disallowed on or before that last day. This ensures that there will be a sufficient time for parliamentary scrutiny of the Instrument before it commences.

Details of the Instrument are set out in Attachment A.

A statement of Compatibility with Human Rights is at Attachment B.

The Office of Impact Analysis (OIA) has been consulted (OIA ref: OIA25-09292) and agreed that an Impact Analysis is not required.

Details of the International Monetary Agreements (New Arrangements to Borrow – Notice of Decision of the Fund No. 1) Instrument 2025

Section 1 – Name

This section provides that the name of the Instrument is the *International Monetary Agreements (New Arrangements to Borrow—Notice of Decision of the Fund No. 1) Instrument 2025* (the Instrument).

Section 2 – Commencement

The Instrument commences on the day after the last day on which a motion to disallow the instrument under section 42 of the *Legislation Act 2003* could be passed. The Instrument will not commence at all if the Instrument is disallowed or taken to have been disallowed on or before that last day. This ensures that there will be a sufficient time for parliamentary scrutiny of the Instrument before it commences.

Section 3 – Authority

The Instrument is made under the *International Monetary Fund Act 1947* (the Act).

Section 4 – Definitions

This section provides that, in the Instrument, references to the Act mean the *International Monetary Agreements Act 1947*. The note to the section clarifies that expressions have the same meaning in this instrument as in the Act. This is set out in paragraph 13(1)(b) of the *Legislation Act 2003*.

Section 5 – Giving notice of a decision

This section provides that Decision No. 17794-(24/78) of the Executive Board of the International Monetary Fund, dated 19 July 2024, is notified for the purpose of subsection 8B(3) of the Act.

References to the New Arrangements to Borrow in the Act only incorporate amendments that are set out in the definition of ‘New Arrangements to Borrow’ in section 3 of the Act or that are notified by legislative instrument under subsection 8B(3) of the Act.

Notifying this decision allows the Treasurer to pay amounts out of the Consolidated Revenue Fund to enable Australia to carry out its obligations under the New Arrangements to Borrow, if required.

Statement of Compatibility with Human Rights

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

International Monetary Agreements (New Arrangements to Borrow—Notice of Decision of the Fund No. 1) Instrument 2025

This 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

The purpose of the *International Monetary Agreements (New Arrangements to Borrow—Notice of Decision of the Fund No. 1) Instrument 2025* is to give notice that minor amendments have been made to the New Arrangements to Borrow and that it has been renewed for a period of 5 years commencing from 1 January 2026.

The New Arrangements to Borrow is a voluntary multilateral borrowing agreement between the International Monetary Fund to borrow from those members, when required, to maintain stability in the global economy. On 19 July 2024, the Executive Board of the International Monetary Fund decided to renew the New Arrangements to Borrow for 5 years from 1 January 2026.

Human rights implications

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

Conclusion

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