

EXPLANATORY STATEMENT

Retirement Savings Account Providers Supervisory Levy Imposition Determination 2012

This determination relates to a levy imposed on providers of retirement savings accounts by the *Retirement Savings Account Providers Supervisory Levy Imposition Act 1998*.

This determination commences on 1 July 2012 and relates to the 2012-13 financial year. The *Retirement Savings Account Levy Imposition Determination 2011* is revoked upon commencement of this determination. Consistent with section 50 of the *Acts Interpretation Act 1901*, any obligation or liability incurred in previous financial years remains valid.

Subsection 7(3) of the *Retirement Savings Account Providers Supervisory Levy Imposition Act 1998* allows the Minister to determine:

- (a) the maximum restricted levy amount for each financial year;
- (b) the minimum restricted levy amount for each financial year;
- (c) the restricted levy percentage for each financial year;
- (ca) the unrestricted levy percentage for each financial year; and
- (d) how a retirement savings account provider's asset value is to be calculated.

This determination provides that the restricted component for the 2012-13 levy will be calculated at zero per cent of assets held by the entity, subject to a minimum amount of \$0 and a maximum amount of \$0. The unrestricted component of the 2012-13 levy will be calculated at zero per cent of assets held by the entity.

In effect, this means that RSAs will not be levied directly in relation to the 2012-13 financial year.

The finance sector has been consulted on the 2012-13 supervisory levies through a Treasury and Australian Prudential Regulation Authority (APRA) discussion paper released on the Treasury website on 1 June 2012. The paper discusses potential impacts of the levies on each industry sector and institution regulated by APRA, and sought industry views on a range of proposed scenarios. Fifteen submissions were received during the consultation process, and no submissions specifically raised issues in relation to the *First Home Saver Account Providers Supervisory Levy Imposition Determination 2012*.

The Office of Best Practice Regulation has also been consulted on the 2012-13 supervisory levies and has advised that a Regulation Impact Statement is not required as the proposals are machinery-of-government in nature. As was noted in the 2012-13 supervisory levies discussion paper, APRA has a regular review process to monitor the implementation of the levies. In 2012-13, the current levy review process will be merged with the development of a comprehensive Cost Recovery Impact Statement (CRIS). Industry will continue to be consulted on the development of the CRIS.

This determination is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

A statement of compatibility with human rights for the purposes of Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011* is set out in [Attachment 1](#).

Statement of Compatibility with Human Rights

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

Retirement Savings Account Providers Supervisory Levy Imposition Determination 2012

This 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

This determination relates to a levy imposed on providers of retirement savings accounts by the *Retirement Savings Account Providers Supervisory Levy Imposition Act 1998*.

Subsection 7(3) allows the Minister to determine:

- (e) the maximum restricted levy amount for each financial year;
- (f) the minimum restricted levy amount for each financial year;
- (g) the restricted levy percentage for each financial year;
- (ca) the unrestricted levy percentage for each financial year; and
- (h) how a retirement savings account provider's asset value is to be calculated.

Human rights implications

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

Conclusion

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