# EXPLANATORY STATEMENT

## Authorised Non-operating Holding Companies Supervisory Levy Imposition Determination 2012

This determination relates to a levy imposed by the *Authorised Non-operating Holding Companies Supervisory Levy Imposition Act 1998* on authorised non‑operating holding companies in the general insurance and authorised deposit‑taking institution sectors.

This determination commences on 1 July 2012 and relates to the 2012‑13 financial year. The *Authorised Non-operating Holding Companies Supervisory 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(1) of the *Authorised Non-operating Holding Companies Supervisory Levy Imposition Act 1998* allows the Minister to determine the amount of levy payable by an authorised non‑operating holding company for a financial year.

The determination provides that the amount of levy payable by an authorised non‑operating holding company in relation to the 2012‑13 financial year is $10,000.

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 *Authorised Non-operating Holding Companies 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.

**Attachment 1**

**Statement of Compatibility with Human Rights**

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

## *Authorised Non-operating Holding Companies 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 by the *Authorised Non-operating Holding Companies Supervisory Levy Imposition Act 1998* on authorised non‑operating holding companies in the general insurance and authorised deposit‑taking institution sectors.

Subsection 7(1) of the *Authorised Non-operating Holding Companies Supervisory Levy Imposition Act 1998* allows the Minister to determine the amount of levy payable by an authorised non‑operating holding company for a financial year.

**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.