EXPLANATORY STATEMENT

Retirement Savings Account Providers Supervisory Levy Imposition Determination 2013

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

This determination commences on 1 July 2013 and relates to the 2013-14 financial year. The *Retirement Savings Account Levy Imposition Determination 2012* is revoked upon commencement of this determination. Consistent with section 7 of the *Acts Interpretation Act 1901*, any obligation or liability incurred in previous financial years remains valid.

The determination will commence before it is registered. Commencement prior to registration, however, does not disadvantageously affect the rights of any person as at the date of registration or impose any liability on any person in respect of anything done or omitted to be done before the date of registration. Commencement prior to registration is therefore consistent with subsection 12(2) of the *Legislative Instruments Act 2003*.

Subsection 7(3) of the Act requires the Treasurer, by legislative instrument, 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 an RSA provider's levy base is to be worked out.

This determination provides that the restricted component for the 2013-14 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 2013-14 levy will be calculated at zero per cent of assets held by the entity.

In effect, this means that an RSA provider will not be levied directly in relation to the 2013-14 financial year.

The finance sector has been consulted on the 2013-14 supervisory levies through a Treasury and Australian Prudential Regulation Authority (APRA) discussion paper released on the Treasury website on 31 May 2013. The paper discusses potential impacts of the levies on each industry sector and institution regulated by APRA. Four submissions were received during the consultation process, and no submission specifically raised issues in relation to the *Retirement Savings Account Levy Imposition Determination 2013*

APRA and Treasury periodically review the methodology for imposing levies on the finance industry with submissions received from industry. The full range of issues raised in the methodology review will be considered and a formal response and position paper prepared by Treasury. As part of the review, further consultation will be undertaken with stakeholders, with a view to responding to identified issues in the context of the 2014-15 levies process.

The Office of Best Practice Regulation has previously advised that a Regulatory Impact Statement is not required as supervisory levies are considered *machinery-of-government* in nature.

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

Retirement Savings Account Providers Supervisory Levy Imposition Determination 2013

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.