

1993

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
HOUSE OF REPRESENTATIVES

SUPERANNUATION (FINANCIAL ASSISTANCE FUNDING) LEVY BILL 1993
SUPPLEMENTARY EXPLANATORY MEMORANDUM

Amendments to be Moved on Behalf of the Government

(Circulated by authority of the Treasurer,
the Hon John Dawkins, MP)



SUPERANNUATION (FINANCIAL ASSISTANCE FUNDING) LEVY BILL 1993

GENERAL OUTLINE AND MAIN PURPOSE OF BILL

This Bill, together with the companion Superannuation Industry (Supervision) Bill 1993, Occupational Superannuation Standards Amendment Bill 1993, Superannuation (Resolution of Complaints) Bill 1993, Superannuation Supervisory Levy Amendment Bill 1993, Superannuation (Rolled-Over Benefits) Levy Bill 1993 and Superannuation Industry (Supervision) Consequential Amendments Bill 1993, give effect to measures to substantially increase the level of prudential protection provided to the superannuation industry, and represent a substantial strengthening of the security of superannuation savings and in the protection of the rights of superannuation fund members.

These seven Bills give effect to the new prudential arrangements for superannuation that the Treasurer announced on 21 October 1992.

The Bill provides for the imposition of levies on superannuation funds and approved deposit funds for the purpose of funding financial assistance provided pursuant to the provisions of Part 23 of the Superannuation Industry (Supervision) Bill 1993 to any fund, or funds, that have suffered a loss as a result of fraudulent conduct or theft.

FINANCIAL IMPACT STATEMENT

The measures for added protection for superannuation savings and promotion of a more efficient superannuation industry, together with the measures contained in the companion Superannuation Industry (Supervision) Bill 1993, Occupational Superannuation Standards Amendment Bill 1993, Superannuation (Resolution of Complaints) Bill 1993, Superannuation (Rolled-Over Benefits) Levy Bill 1993, Superannuation Supervisory Levy Amendment Bill 1993 and the Superannuation Industry (Supervision) Consequential Amendments Bill 1993 will result in additional supervisory costs being incurred by the Insurance and Superannuation Commission.

The Insurance and Superannuation Commission estimates that the additional resources needed to give effect to this package of measures will be \$4.831m in 1993-94, \$4.591m in 1994-95 and \$4.631m in 1995-96.

These additional costs will be recovered through the superannuation supervisory levy and the imposition of a new levy on certain superannuation funds and approved deposit funds as provided for in the Superannuation (Rolled-Over Benefits) Levy Bill 1993.

SUPPLEMENTARY EXPLANATORY NOTES ON SUPERANNUATION (FINANCIAL ASSISTANCE FUNDING) LEVY BILL 1993

CLAUSE 8 AMOUNT OF LEVY

1. Subclause (2) is inserted to specify that the applicable rate must not exceed .05% of the value of the fund's assets.