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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
HOUSE OF REPRESENTATIVES

SUPERANNUATION SUPERVISORY LEVY AMENDMENT BILL 1993
EXPLANATORY MEMORANDUM

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

SUPERANNUATION SUPERVISORY LEVY AMENDMENT BILL 1993

GENERAL OUTLINE AND MAIN PURPOSE OF THE 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 (Rolled-Over Benefits) Levy Bill 1993, Superannuation Industry (Supervision) Consequential Amendments Bill 1993 and the Superannuation (Financial Assistance Funding) Levy 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 protecting 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.

This Bill makes some minor amendments to the Superannuation Supervisory Levy Act 1991 as a consequence of amendments to be made to the Occupational Superannuation Standards Act 1987 and the commencement of the Superannuation Industry (Supervision) Bill 1993.

FINANCIAL IMPACT STATEMENT

The measures contained in this Bill for added protection for superannuation savings and promotion of a more efficient superannuation industry, together with the measures contained in the companion Occupational Superannuation Standards Amendment Bill 1993, Superannuation (Resolution of Complaints) Bill 1993, Superannuation (Financial Assistance Funding) Levy Bill 1993 and Superannuation (Rolled-Over Benefits) Levy Bill 1993, Superannuation Industry (Supervision) Consequential Amendments Bill 1993 and the Superannuation Industry (Supervision) 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.

**EXPLANATORY NOTES ON THE SUPERANNUATION SUPERVISORY LEVY
AMENDMENT BILL 1993**

CLAUSE 1 SHORT TITLE

1. This clause provides the mode of citation of the Bill, and that a reference to the "Principal Act" is a reference to the Superannuation Supervisory Levy Act 1991.

CLAUSE 2 COMMENCEMENT

2. This clause provides for the Bill to come into operation on 1 July 1994.

CLAUSE 3 AMENDMENT OF TITLE

3. This clause provides for the title of the Principal Act to be amended to read "An Act to impose a levy on the lodgment of certain returns under the Superannuation Industry (Supervision) Act 1993".

CLAUSE 4

4. This clause repeals the current section 3 of the Principal Act, and substitutes a new section 3 which provides for extension of application of certain provisions of the Superannuation Industry (Supervision) Act 1993 to this Bill.

CLAUSE 5 INTERPRETATION

5. This clause amends section 4 of the Principal Act to omit the current definition of "required return lodgment day", and substitute a new definition.

CLAUSE 6 IMPOSITION OF THE SUPERANNUATION SUPERVISORY LEVY

6. This clause amends section 5 of the Principal Act to replace reference to the Occupational Superannuation Standards Act 1987 with reference to the Superannuation Entities (Taxation) Act 1987.

CLAUSE 7 APPLICATION OF AMENDMENTS

7. This clause provides that the amendments made by this Act apply to annual returns lodged by trustees of superannuation entities with the Commissioner under section 36 of the Superannuation Industry (Supervision) Act 1993 in respect of the 1994-95 and subsequent years of income.

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