# EXPLANATORY STATEMENT

## Issued by authority of the Minister for Revenue and Financial Services, Minister for Women and Minister Assisting the Prime Minister for the Public Service

*Superannuation (Self Managed Superannuation Funds) Supervisory Levy Imposition Act 1991*

*Superannuation (Self Managed Superannuation Funds) Supervisory Levy Imposition Regulations 2018*

Section 7 of the *Superannuation (Self Managed Superannuation Funds) Supervisory Levy Imposition Act 1991* (the Act) provides that the Governor-General may make regulations for the purposes of section 6 of the Act. Section 6 provides the amount of levy, not in excess of $300, be specified in regulations.

The purpose of the *Superannuation (Self Managed Superannuation Funds) Supervisory Levy Imposition Regulations 2018* (the Regulations) is to remake and improve the *Superannuation (Self Managed Superannuation Funds) Supervisory Levy Imposition Regulations 1991* and ensure their effect continues. The *Legislation Act 2003* provides that all legislative instruments, other than exempt instruments, are automatically repealed after 10 years or in accordance with the progressive timetable set out in section 50. The *Superannuation (Self Managed Superannuation Funds) Supervisory Levy Imposition Regulations 1991* was scheduled for automatic repeal on 1 October 2018.

The Act imposes a supervisory levy on self managed super funds to recover the costs of regulating the sector.

The purpose of the *Superannuation (Self Managed Superannuation Funds) Supervisory Levy Imposition Regulations 1991* was to set the quantum of the levy. That purpose is achieved by the Regulations.

The Regulations will apply from the income year ending on 30 June 2019.

The Regulations remake and improve the *Superannuation (Self Managed Superannuation Funds) Supervisory Levy Imposition Regulations 1991* by adopting current drafting practices, such as referring to ‘sections’ rather than ‘regulations’.

The proposed changes do not affect the substantive meaning or operation of the provisions.

Further details of the Regulations are set out in the Attachment.

The Act does not specify any conditions that need to be met before the power to make the Regulations may be exercised.

The Regulations are a legislative instrument for the purposes of the
*Legislation Act 2003.*

The Regulations commence on 1 July 2018.

**ATTACHMENT**

**Details of the *Superannuation (Self Managed Superannuation Funds) Supervisory Levy Imposition Regulations 2018***

This Attachment sets out further details of the *Superannuation (Self Managed Superannuation Funds) Supervisory Levy Imposition Regulations 2018* (the Regulations). All references are to the proposed Regulations unless otherwise stated. References to a ‘corresponding provision’ are to the corresponding provision in the *Superannuation (Self Managed Superannuation Funds) Supervisory Levy Imposition Regulations 1991*, as identified by the Finding Table at page 6.

Changes of a minor or machinery nature, such as references to section rather than regulation in accordance with modern drafting practices, are generally not specifically identified in this Attachment. Where the Regulations make changes that require further explanation, these are identified and explained in this Attachment.

**Section 1 –** Specifies the name of the Regulations as Superannuation (Self Managed Superannuation Funds) Supervisory Levy Imposition Regulations2018.

**Section 2** – provides the Regulations commence on 1 July 2018.

**Section 3** – provides the Regulation are made under the Superannuation (Self Managed Superannuation Funds) Supervisory Levy Imposition Act 1991.

**Section 4** – provides that each instrument identified in a Schedule to the Regulations is amended or repealed in accordance with these Regulations.

**Section 5** – provides a definitions section listing the only defined term used in the Regulations. This replaces regulation 3 of the prior Regulations.

**Section 6** – specifies that the quantum of the levy is $259. This represents continued maintenance of the quantum of the levy since 2013.

**Schedule 1** – repeals the Superannuation (Self Managed Superannuation Funds) Supervisory Levy Imposition Regulations 1991from 1 July 2018.

**Finding table**

As a result of some of the changes described above, it became necessary to renumber provisions of the Regulations. This Explanatory Memorandum includes a finding table to assist in identifying which provision in the Regulations corresponds to a provision in the old law that has been rewritten or consolidated, and vice versa.

References to the old law are to the *Superannuation (Self Managed Superannuation Funds) Supervisory Levy Imposition Regulations 1991.* References to the new law are to the *Superannuation (Self Managed Superannuation Funds) Supervisory Levy Imposition Regulations 2018*. Also, in the finding table, ‘no equivalent’means that this is a new provision that has no equivalent in the old law.

|  |  |
| --- | --- |
| ***Old law*** | ***New law*** |
| *Superannuation (Self Managed Superannuation Funds) Supervisory Levy Imposition Regulations 1991* | *Superannuation (Self Managed Superannuation Funds) Supervisory Levy Imposition Regulations 2018* |
| 1 | 1 |
| 2 | 2 |
| No equivalent | 3 |
| No equivalent | 4 |
| 3 | 5 |
| 4 | 6 |
| No equivalent  | Schedule 1  |