

EXPLANATORY STATEMENT

Issued by authority of the Assistant Treasurer and Minister for Financial Services

Australian Prudential Regulation Authority Supervisory Levies Determination 2025

The Australian Prudential Regulation Authority (APRA) is largely industry funded. The *Financial Institutions Supervisory Levies Collection Act 1998*, together with a suite of levy imposition Acts, establish a legislative framework for the recovery of costs incurred by APRA and other Commonwealth agencies, in connection with supporting the integrity and efficiency of financial markets and promoting the interests of consumers in the financial system. The framework imposes levies on financial institutions regulated by APRA and prescribes the timing for payment and collection of the levies.

The purpose of the *Australian Prudential Regulation Authority Supervisory Levies Determination 2025* (the Determination) is to determine the basis of the levy payable by leviable bodies for the 2025-26 financial year.

Part 1 of the Determination contains machinery provisions, including provisions in relation to commencement, the authorising legislation, definitions and the application of reporting standards.

Part 2 of the Determination states the amount of levy that is allocated under each of the various levy imposition Acts to cover the cost to the Commonwealth of funding certain regulatory activities and other industry funded activities.

Parts 3 to 9 of the Determination determine the amount of levy payable and other relevant parameters for the respective leviable bodies.

Schedule 1 to the Determination repeals the *Australian Prudential Regulation Authority Supervisory Levies Determination 2024*, in accordance with subsection 33(3) of the *Acts Interpretation Act 1901*.

The Acts that comprise the legislative framework do not specify any conditions that need to be satisfied before the power to make the Determination may be exercised.

The finance sector has been consulted on the 2025-26 supervisory levies through a discussion paper released on the Treasury's website on 27 March 2025. The discussion paper outlined the potential impacts of the levies on each industry sector and type of institution regulated by APRA. In particular, stakeholders affected by the Determination are those that are subject to the levies, including: authorised deposit-taking institutions; general insurers; life insurers; private health insurers; superannuation entities and providers of retirement savings accounts; and authorised non-operating holding companies. This consultation process is a regular process that takes place following the Budget each year. All relevant stakeholders are expected to be familiar with the process, are able to anticipate the release of the paper and can participate in consultation effectively.

The consultation period closed on 25 April 2025. Six submissions were received during the consultation process from stakeholders representing regulated entities. The feedback from

the submissions was taken into consideration when setting the final levy rates. Submissions are generally published on the Treasury's website.

The Determination is a legislative instrument for the purposes of the *Legislation Act 2003*. Accordingly, the Determination is subject to the disallowance and sunseting regimes under that Act.

The Determination commenced on 1 July 2025.

Details of the Determination are set out in Attachment A.

A statement of Compatibility with Human Rights is at Attachment B.

Details of the Australian Prudential Regulation Authority Supervisory Levies Determination 2025

Part 1 – Preliminary

Part 1 of the *Australian Prudential Regulation Authority Supervisory Levies Determination 2025* (the Determination) contains machinery provisions, including in relation to commencement, the authorising legislation, definitions and application of reporting standards.

Section 1-1 specifies that the name of the Determination is the *Australian Prudential Regulation Authority Supervisory Levies Determination 2025*.

Section 1-2 provides that the Determination commenced on 1 July 2025.

Section 1-3 provides that the Determination is made under the following Acts (collectively, the levy imposition Acts), which impose levies on regulated industries:

- the *Australian Prudential Regulation Authority Act 1998*;
- the *Authorised Deposit-taking Institutions Supervisory Levy Imposition Act 1998*;
- the *Authorised Non-operating Holding Companies Supervisory Levy Imposition Act 1998*;
- the *General Insurance Supervisory Levy Imposition Act 1998*;
- the *Life Insurance Supervisory Levy Imposition Act 1998*;
- the *Private Health Insurance Supervisory Levy Imposition Act 2015*;
- the *Retirement Savings Account Providers Supervisory Levy Imposition Act 1998*;
and
- the *Superannuation Supervisory Levy Imposition Act 1998*.

Section 1-4 provides that each instrument that is specified in a Schedule to the Determination is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to the Determination has effect according to its terms.

Subsection 1-5(1) provides that an expression used in a Part of the Determination has the same meaning as in the Act referred to in the definition of ‘the Act’ in the Part concerned.

Subsection 1-5(2) sets out definitions relevant to the Determination. In particular, ‘current financial year’ means the financial year commencing on 1 July 2025.

Section 1-6 explains references to reporting standards with a particular identifier. These are references to reporting standards determined by the Australian Prudential Regulation Authority (APRA) under section 13 of the *Financial Sector (Collection of Data) Act 2001*. As APRA sometimes remakes a reporting standard with the same identifier, section 1-6 ensures that the correct version is applied for the purposes of the Determination, based on the application provision in the version and the relevant reporting period. If the relevant

reporting standard has been replaced by one with a different identifier, the later reporting standard applies instead.

Part 2 – Australian Prudential Regulation Authority (Commonwealth costs)

Section 2-1 of the Determination sets out definitions that are relevant to this Part. A reference to ‘the Act’ in this Part means the *Australian Prudential Regulation Authority Act 1998* (APRA Act). An expression used in this Part has the same meaning given by subsection 50(6) of the APRA Act.

Section 2-2 of the Determination states the amount of levy money for the current financial year that is allocated to the Commonwealth under each of the levy imposition Acts. Subsection 50(1) of the APRA Act requires the Minister (being the relevant Treasury portfolio Minister – see section 19 of the *Acts Interpretation Act 1901*), by legislative instrument, to make a determination of the amount of ‘levy’ that is to be available to cover the costs to the Commonwealth:

- incurred in connection with supporting the integrity and efficiency of markets in which leviable bodies operate;
- incurred in connection with promoting the interests of consumers in markets in which leviable bodies operate;
- of administering the function of making determinations about the release on compassionate grounds of benefits that are in a superannuation entity or retirement savings account;
- of governing and maintaining the Superannuation Transaction Network; and
- relating directly or indirectly to the regulation of leviable bodies.

The method used for this determination is specifying an amount for each class of levy, in accordance with paragraph 50(1)(b) of the APRA Act.

The levy revenue is intended to recover costs incurred by:

- the Australian Taxation Office (ATO);
- the Gateway Network Governance Body Ltd (GNGB); and
- the Treasury.

These funds are allocated to ATO activities to support, on behalf of the Commonwealth, the integrity and efficiency of markets in which leviable bodies operate; to the GNGB in promoting the efficiency and effectiveness of the Superannuation Transaction Network; and to Treasury to administer a grant to fund a superannuation consumer advocate, supporting the Government’s objective to promote improved member outcomes. The funds will contribute towards the costs of the ATO, GNGB and the Treasury in undertaking those functions.

The following table details the amounts allocated to activities undertaken by the ATO, the GNGB and the Treasury under each of the levy imposition Acts.

Item	Matter	Amount (\$)	Purpose of amount
1	Amount of the levy money payable to the Commonwealth under the <i>Authorised Deposit-taking Institutions Supervisory Levy Imposition Act 1998</i> .	\$0	
2	Amount of the levy money payable to the Commonwealth under the <i>General Insurance Supervisory Levy Imposition Act 1998</i> .	\$0	
3	Amount of the levy money payable to the Commonwealth under the <i>Life Insurance Supervisory Levy Imposition Act 1998</i> .	\$0	
4	Amount of the levy money payable to the Commonwealth under the <i>Superannuation Supervisory Levy Imposition Act 1998</i> .	\$39,600,000	<p>\$13,000,000 of the amount is for the ATO to administer the Superannuation Lost Member Register and Unclaimed Superannuation Money frameworks, and \$24,200,000 for the early Compassionate Release of Super program.</p> <p>\$1,400,000 of the amount is for the GNGB which governs the Superannuation Transaction Network.</p> <p>\$1,000,000 of the amount is for Treasury to administer a grant to fund a superannuation consumer advocate.</p>
5	Amount of the levy money payable to the Commonwealth under the <i>Authorised Non-operating Holding Companies Supervisory Levy Imposition Act 1998</i> .	\$0	
6	Amount of the levy money payable to the Commonwealth under the <i>Private Health Insurance Supervisory Levy Imposition Act 2015</i> .	\$0	
7	Amount of the levy money payable to the Commonwealth under the <i>Retirement Savings Account Providers Supervisory Levy Imposition Act 1998</i> .	\$0	

Section 2-3 provides that, under subsection 50(1A) of the APRA Act, 86 per cent of the levy money paid to APRA, on behalf of the Commonwealth, for the current financial year is to be credited to the APRA Special Account on an ongoing basis.

Part 3 – Authorised deposit-taking institutions supervisory levy

Part 3 of the Determination relates to the levy imposed by the *Authorised Deposit-taking Institutions Supervisory Levy Imposition Act 1998* (the ADI Levy Act) on an authorised deposit-taking institution (ADI).

Section 3-1 sets out definitions that are relevant to this Part.

Subsection 7(3) of the ADI Levy Act requires the Treasurer (or another Treasury portfolio Minister – see section 19 of the *Acts Interpretation Act 1901*), by legislative instrument, to determine:

- the maximum restricted levy amount for each financial year;
- the minimum restricted levy amount for each financial year;
- the restricted levy percentage for each financial year;
- the unrestricted levy percentage for each financial year; and
- how an ADI's levy base is to be worked out.

The table in section 3-2 sets out the levy amounts and percentages that have been determined for the respective classes of ADI for the current financial year.

Section 3-3 provides how an ADI's levy base is to be worked out. This section incorporates matters from:

- Reporting Standard ARS 720.0 ABS/RBA Statement of Financial Position; and
- Reporting Standard ARS 323.0 Statement of Financial Position (Licensed ADI).

These reporting standards are set out in disallowable legislative instruments which are publicly available on the Federal Register of Legislation. Section 1-6 explains how reporting standards are to be applied.

Part 4 – Authorised non-operating holding companies supervisory levy

Part 4 of the Determination relates to the levy imposed by the *Authorised Non-operating Holding Companies Supervisory Levy Imposition Act 1998* on an authorised non-operating holding company (authorised NOHC) in the general insurance and ADI sectors.

Section 4-1 sets out definitions that are relevant to this Part.

Subsection 7(1) of the *Authorised Non-operating Holding Companies Supervisory Levy Imposition Act 1998* requires the Treasurer (or another Treasury portfolio Minister – see section 19 of the *Acts Interpretation Act 1901*) to determine, by legislative instrument, the amount of levy payable by an authorised NOHC for each financial year.

Section 4-2 determines the amount of levy payable by an authorised NOHC in relation to the current financial year is \$45,000.

Part 5 – General insurance supervisory levy

Part 5 of the Determination relates to the levy imposed by the *General Insurance Supervisory Levy Imposition Act 1998* on a general insurance company.

Section 5-1 sets out definitions that are relevant to this Part.

Subsection 8(1AA) of the *General Insurance Supervisory Levy Imposition Act 1998* provides that the amount of levy payable by a general insurance company for a financial year is the sum of the general component and the special component.

The current financial year general component levy

For the current financial year, the general component will fund the operations of the APRA. Paragraphs 8(3)(a) to (d) of the *General Insurance Supervisory Levy Imposition Act 1998* requires the Treasurer (or another Treasury portfolio Minister – see section 19 of the *Acts Interpretation Act 1901*), by legislative instrument, to determine:

- the maximum restricted levy amount for each financial year;
- the minimum restricted levy amount for each financial year;
- the restricted levy percentage for each financial year;
- the unrestricted levy percentage for each financial year; and
- how a general insurance company's levy base is to be worked out.

The table in section 5-2 provides the levy amounts and percentages that have been determined for a general insurance company.

Section 5-3 provides for how a general insurance company's levy base is to be worked out.

The current financial year special component levy

For the current financial year, a special levy component, in addition to the general component levy, will fund the costs of operating the National Claims and Policies Database. This component was levied for the first time in the 2006-07 financial year following amendments to the *General Insurance Supervisory Levy Imposition Act 1998*.

Paragraphs 8(3)(e) to (h) of the *General Insurance Supervisory Levy Imposition Act 1998* requires the Treasurer (or another Treasury portfolio Minister – see section 19 of the *Acts Interpretation Act 1901*), by legislative instrument, to determine:

- the special maximum levy amount for each financial year;
- the special minimum levy amount for each financial year;
- the special levy percentage for each financial year; and
- how a general insurance company's eligible premium income (EPI) is to be worked out.

Section 5-4 determines how a general insurance company's special levy component is to be worked out for the current financial year.

Section 5-5 determines how a general insurance company's EPI is to be worked out to calculate the special levy component.

Part 5 incorporates matters from:

- Reporting Standard GRS 300.0 Statement of Financial Position;
- Reporting Standard GRS 800.1 Policy Data: Public and Product Liability and Professional Indemnity Insurance; and
- Reporting Standard LOLRS 800.1 Policy Data: Public and Product Liability and Professional Indemnity Insurance.

Those reporting standards are set out in disallowable legislative instruments which are publicly available on the Federal Register of Legislation. Section 1-6 explains how reporting standards are to be applied.

Part 6 – Life insurance supervisory levy

Part 6 of the Determination relates to the levy imposed by the *Life Insurance Supervisory Levy Imposition Act 1998* on a life insurance company.

Section 6-1 sets out definitions relevant to this Part.

Subsection 7(3) of the *Life Insurance Supervisory Levy Imposition Act 1998* requires the Treasurer (or another Treasury portfolio Minister – see section 19 of the *Acts Interpretation Act 1901*), by legislative instrument, to determine:

- the maximum restricted levy amount for each financial year;
- the minimum restricted levy amount for each financial year;
- the restricted levy percentage for each financial year;
- the unrestricted levy percentage for each financial year; and
- how a life insurance company's levy base is to be worked out.

The table in section 6-2 provides the levy amounts and percentages of levy that have been determined for a life insurance company for the current financial year.

Section 6-3 provides for how a life insurance company's levy base is to be worked out for the current financial year.

Although this Determination does not specifically mention friendly societies, they are leviable bodies because they are registered under the *Life Insurance Act 1995* and consequently fall under the definition of 'life insurance company' in the *Financial Institutions Supervisory Levies Collection Act 1998*. As subsection 16C(1) of the *Life Insurance Act 1995* notes, item 11 of Schedule 8 to the *Financial Sector Reform (Amendments and Transitional Provisions) Act (No. 1) 1999* provided that friendly societies existing then are taken to be registered under the *Life Insurance Act 1995*.

Part 6 incorporates matters from the Reporting Standard LRS 300.0 Statement of Financial Position. This reporting standard is set out in a disallowable legislative instrument that is publicly available on the Federal Register of Legislation. Section 1-6 explains how reporting standards are to be applied.

Part 7 – Private health insurance supervisory levy

Part 7 of the Determination relates to the levy imposed by the *Private Health Insurance Supervisory Levy Imposition Act 2015* on a private health insurer.

Section 7-1 sets out definitions that are relevant to this Part.

Section 8 of the *Private Health Insurance Supervisory Levy Imposition Act 2015* requires the Minister (being the relevant Treasury portfolio Minister – see section 19 of the *Acts Interpretation Act 1901*), by legislative instrument, to determine for each financial year:

- the levy amount, which must be calculated having regard to the number of complying health insurance policies on issue (subject to a maximum supervisory levy amount that is applicable per policy); and
- the day on which private health insurers must assess the number of each type of policy they have on issue for the purposes of determining the amount of supervisory levy payable (being the census day).

Section 7-2 determines the amount of levy for a single policy and for a policy that is not a single policy for the current financial year.

The purpose of Part 7 is to ensure that the cost of supervising private health insurers will be recovered through a levy on all complying health insurance policies that apply on the census day. Section 7-4 provides that the first day of the current financial year is the census day.

Section 7-3 provides the method for working out the amount of levy for a single policy. The amount of levy for each single policy will be the total cost to supervise private health insurers divided by the sum of the aggregate number of single policies and twice the number of other policies on issue on the census day. If that cost exceeds \$2, then the amount of levy for a single policy is \$2.

The amount of levy for all other policies will be twice the levy amount for a single policy. The amount of levy for policies with more than one person insured is the same regardless of the actual number of people covered.

The data to be used for levy calculation purposes is based on the data provided to APRA in accordance with the Reporting Standard HRS 601.0 Statistical Data by State as per the end of June in the previous financial year. This reporting standard is set out in a disallowable instrument that is publicly available on the Federal Register of Legislation.

Part 8 – Retirement savings account providers supervisory levy

Part 8 of the Determination relates to the levy imposed on providers of retirement savings accounts (RSA providers) by the *Retirement Savings Account Providers Supervisory Levy Imposition Act 1998*.

Section 8-1 sets out the definitions that are relevant to this Part.

Subsection 7(3) of the *Retirement Savings Account Providers Supervisory Levy Imposition Act 1998* requires the Treasurer (or another Treasury portfolio Minister – see section 19 of the *Acts Interpretation Act 1901*), by legislative instrument, to determine:

- the maximum restricted levy amount for each financial year;
- the minimum restricted levy amount for each financial year;

- the restricted levy percentage for each financial year;
- the unrestricted levy percentage for each financial year; and
- how an RSA provider's levy base is to be worked out.

The table in section 8-2 provides the levy amounts and percentages that have been determined for an RSA provider for the current financial year.

Section 8-3 provides for how an RSA provider's levy base is to be worked out for the current financial year.

Part 9 – Superannuation supervisory levy

Part 9 of the Determination relates to the levy imposed by the *Superannuation Supervisory Levy Imposition Act 1998* on a superannuation entity.

Section 9-1 sets out definitions that are relevant to this Part.

Subsection 7(3) of the *Superannuation Supervisory Levy Imposition Act 1998* requires the Treasurer (or another Treasury portfolio Minister – see section 19 of the *Acts Interpretation Act 1901*), by legislative instrument, to determine:

- the maximum restricted levy amount for each financial year;
- the minimum restricted levy amount for each financial year;
- the restricted levy percentage for each financial year;
- the unrestricted levy percentage for each financial year; and
- how a superannuation entity's levy base is to be worked out.

The table in section 9-2 provides the levy amounts and percentages that have been determined for a superannuation entity for the current financial year.

Section 9-3 provides for how a superannuation entity's levy base is to be worked out for the current financial year.

Part 9 incorporates matters from:

- Accounting Standard AASB 1056 Superannuation Entities;
- Reporting Standard SRS 320.0 Statement of Financial Position; and
- Reporting Standard SRS 800.0 Financial Statements.

These standards are set out in disallowable legislative instruments which are publicly available on the Federal Register of Legislation. Section 1-6 explains how reporting standards are to be applied.

Schedule 1 – Repeals

Item 1 to Schedule 1 of the Determination repeals the *Australian Prudential Regulation Authority Supervisory Levies Determination 2024*.

Section 7 of the *Acts Interpretation Act 1901* ensures that the repeal does not affect any obligation or liability incurred under the repealed instrument.

Statement of Compatibility with Human Rights

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

Australian Prudential Regulation Authority Supervisory Levies Determination 2025

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

The Australian Prudential Regulation Authority (APRA) is largely industry funded. The *Financial Institutions Supervisory Levies Collection Act 1998*, together with a suite of levy imposition Acts, establish a legislative framework for the recovery of costs incurred by APRA and other Commonwealth agencies, in connection with supporting the integrity and efficiency of financial markets and promoting the interests of consumers in the financial system. The framework imposes levies on financial institutions regulated by APRA and prescribes the timing for payment and collection of the levies.

The purpose of the *Australian Prudential Regulation Authority Supervisory Levies Determination 2025* is to determine the basis of the levy payable by leviable bodies for the 2025-26 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.