

1987-88-89

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
HOUSE OF REPRESENTATIVES

Presented and read a first time, 2 March 1989

(*Treasurer*)

A BILL

FOR

**An Act to impose a levy on companies that are required to
lodge accounts under the *Life Insurance Act 1945***

BE IT ENACTED by the Queen, and the Senate and the House of
Representatives of the Commonwealth of Australia, as follows:

Short title

5 **1.** This Act may be cited as the *Life Insurance Supervisory Levy Act*
1989.

Commencement

2. This Act commences, or shall be taken to have commenced, as the
case requires, on the commencement of the Collection Act.

Acts to be read as one

10 **3.** The Collection Act is incorporated, and shall be read as one, with
this Act.

Act to bind Crown

4. This Act binds the Crown in right of the Commonwealth, of each of the States, of the Australian Capital Territory, of the Northern Territory and of Norfolk Island.

Extension to external Territories

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5. This Act extends to each external Territory to which the *Life Insurance Act 1945* extends.

Interpretation

6. In this Act, unless the contrary intention appears:

“Collection Act” means the *Insurance Supervisory Levies Collection Act 1989*; 10

“daily component of life insurance levy”, in relation to a leviable day, means the amount calculated under section 9;

“indexation factor” means the indexation factor calculated under section 10; 15

“index number”, in relation to a quarter, means the All Groups Consumer Price Index number, being the weighted average of the 8 capital cities, published by the Australian Statistician in respect of that quarter;

“statutory upper limit” means: 20

(a) in relation to the financial year commencing on 1 July 1990—the amount calculated by multiplying \$19,000 by the indexation factor for that financial year; or

(b) in relation to a later financial year—the amount calculated by multiplying the statutory upper limit for the previous financial year by the indexation factor for the later financial year. 25

Imposition of life insurance levy

7. Levy payable in accordance with subsection 6 (3) of the *Insurance Supervisory Levies Collection Act 1989* is imposed. 30

Amount of levy

8. (1) The amount of life insurance levy payable for a period is the amount obtained by:

(a) calculating the daily component of life insurance levy for each leviable day in that period; and 35

(b) aggregating those daily components.

(2) If the amount of life insurance levy that would, apart from this subsection, be payable for a period is an amount of dollars and cents, the amount shall be rounded up to an amount of whole dollars.

Daily component of life insurance levy

9. (1) The daily component of life insurance levy for a leviable day in a financial year is the amount calculated using the formula:

$$\frac{\text{Annual rate}}{\text{No. of days in financial year}}$$

where:

Annual rate is \$19,000 or such other amount as is applicable under the regulations to the leviable day;

No. of days in financial year is the number of days in the financial year.

(2) The amount prescribed for the purposes of the formula in subsection (1) in relation to a leviable day in a financial year shall not exceed the statutory upper limit for the financial year.

(3) An amount shall not be prescribed for the purposes of the formula in subsection (1) in relation to a leviable day in a financial year earlier than the financial year commencing on 1 July 1990.

Calculation of indexation factor

10. (1) The indexation factor for a financial year is the number (calculated to 3 decimal places) ascertained by dividing the index number for the March quarter immediately preceding that financial year by the index number for the March quarter immediately preceding that first-mentioned March quarter.

(2) If the factor ascertained under subsection (1) in relation to a financial year would, if it were calculated to 4 decimal places, end with a number greater than 4, the factor ascertained under that subsection in relation to that financial year shall be taken to be the factor calculated to 3 decimal places and increased by 0.001.

(3) Subject to subsection (4), if at any time, whether before or after the commencement of this section, the Australian Statistician has published or publishes an index number in respect of a quarter in substitution for an index number previously published by the Australian Statistician in respect of that quarter, the publication of the later index number shall be disregarded for the purposes of this section.

(4) If at any time, whether before or after the commencement of this section, the Australian Statistician has changed or changes the reference base for the Consumer Price Index, then, for the purposes of the application of this section after the change took place or takes place, regard shall be had only to the index numbers published in terms of the new reference base.

Regulations

11. The Governor-General may make regulations for the purposes of subsection 9 (1).

