

# Public Trustee (Interest Rate) Amendment Regulation 2023

Explanatory Notes for SL 2023 No. 1

made under the *Public Trustee Act 1978*

## General Outline

### Short Title

*Public Trustee (Interest Rate) Amendment Regulation 2023.*

### Authorising Law

Section 142 of the *Public Trustee Act 1978*.

### Policy objectives and the reasons for them

The purpose of the *Public Trustee (Interest Rate) Amendment Regulation 2023* (the Regulation) is to amend the interest rates payable under the *Public Trustee Regulation 2012* on amounts held in the Public Trustee's common fund. The interest rates in the *Public Trustee Regulation 2012* are intended to be reflective of the regular review undertaken by the Public Trustee of interest rates payable under the *Public Trustee Regulation 2012*. At the time of each review, the Public Trustee analyses the market return of a comparative set of competitive financial products and prevailing economic conditions to arrive at an appropriate interest rate for each of the classes of amounts within the common fund held on behalf of customers of the Public Trustee.

### Achievement of policy objectives

The Regulation amends the *Public Trustee Regulation 2012* to give effect to the stated policy objectives.

The Regulation will not amend the current interest rate payable by the Public Trustee on Class 1 and Class 5 amounts (general trusts, minor beneficiaries, life interest estates, trusts and deceased estates), which will be maintained at 0.20%.

The effect of the Regulation will be to amend the interest rate for amounts held in the Public Trustee's common fund from 1 February 2023 as follows:

Funds held for	Current Interest Rate	Proposed Interest Rate from 01/02/2023
Class 2(c) and Class 3 amounts: Financial Management Customers and Enduring Powers of Attorney Accounts	0.71%	0.73%
Term Deposit Amounts: Term Investment Accounts	1.10%	1.28%

## **Consistency with policy objectives of authorising law**

The Regulation is consistent with the policy objectives of the *Public Trustee Act 1978*.

## **Inconsistency with policy objectives of other legislation**

The Regulation is not inconsistent with the policy objectives of other legislation.

## **Benefits and costs of implementation**

The implementation of the Regulation will not impose any cost on the community. The implementation of the Regulation will only affect persons whose money is invested in the Public Trustee's common fund (Investor). The Human Rights Certificate for this Regulation considers the effect of the Regulation on each Investor.

Implementing the Regulation will not result in an increase in costs for Government as administration will remain subject to existing processes and staffing.

The benefit of the Regulation is to align the interest rates payable on amounts held in the Public Trustee's common fund with the interest rate review undertaken by the Public Trustee using the methodology endorsed by the Public Trust Office Investment Board.

## **Consistency with fundamental legislative principles**

The Regulation does not raise any fundamental legislative principle issues.

## **Consultation**

The Public Trustee has consulted with the Public Trust Office Investment Board in March 2021 in relation to the methodology to be adopted when amending interest rates. The Public Trustee has applied the methodology endorsed by the Public Trust Office Investment Board in the review of the interest rates payable under the *Public Trustee Regulation 2012*.

The regulatory proposal is an administrative matter provided for under the *Public Trustee Act 1978* and considered by the Public Trust Office to be machinery in nature. The regulatory proposal is therefore excluded from further regulatory impact analysis under the *Queensland Government Guide to Better Regulation* (Table 1(g) of the Guide) and a regulatory impact statement is not required.