

Proclamation – State Financial Institutions and Metway Merger Amendment Act 2024

Explanatory notes for SL 2024 No. 117

made under the

State Financial Institutions and Metway Merger Amendment Act 2024

General Outline

Short title

Proclamation – *State Financial Institutions and Metway Merger Amendment Act 2024*

Authorising law

Section 2 of the *State Financial Institutions and Metway Merger Amendment Act 2024*

Policy objectives and the reasons for them

The objective of the Proclamation is to commence the provisions of the *State Financial Institutions and Metway Merger Amendment Act 2024* (the Act), that are not in force.

On 18 July 2022, Suncorp announced the proposed acquisition of its banking business (Suncorp Bank) by the Australian and New Zealand Banking Group Limited (ANZ) (Transaction). The Transaction will enable Suncorp to be a dedicated insurance business. It will also allow ANZ to further participate in the economic growth in Queensland.

Suncorp and ANZ agreed on three conditions precedent for completion of the Transaction being:

- obtaining merger authorisation under the *Competition and Consumer Act (Cth)*;
- obtaining the approval of the Federal Treasurer under the *Financial Sector (Shareholdings) Act 1998 (Cth)* for ANZ to acquire ownership of 100 per cent of the shares in Suncorp Bank; and
- amending the *State Financial Institutions and Metway Merger Act 1996* (Merger Act) so that it does not apply to Suncorp Bank.

The first two conditions have already been satisfied and the Proclamation of the Act will satisfy the last condition by removing Suncorp Bank from the application of part 6 of the Merger Act.

Commencement of the Act at 10am is tied to work with the transfer of settlement monies from ANZ to Suncorp which will complete the Transaction and will follow shortly after 10am.

Achievement of policy objectives

The policy objective is achieved by fixing 31 July 2024 at 10:00am for the commencement of the provisions of the Act that are not in force.

Consistency with policy objectives of authorising law

The Proclamation is consistent with the policy objectives of the Act.

Inconsistency with policy objectives of other legislation

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

Alternative ways of achieving policy objectives

There are no alternative means to achieve the policy objectives.

Benefits and costs of implementation

The commencement of the provisions of the Act that are not in force is not expected to present any costs to government.

Consistency with fundamental legislative principles

The Proclamation is consistent with fundamental legislative principles.

Consultation

An exposure draft of the *State Financial Institutions and Metway Merger Amendment Bill 2024* was released for targeted consultation with Suncorp and ANZ in July 2023.

An Impact Analysis Statement has been completed, which identifies that the Proclamation is not subject to regulatory impact assessment requirements under the *Queensland Government Better Regulation Policy* as it is a regulatory proposal that is machinery in nature commencing the Act.