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Treasurer

MEDIA RELEASE

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**TAKING ACTION ON THE BANKING, SUPERANNUATION
& FINANCIAL SERVICES ROYAL COMMISSION**

RECOMMENDATION 6.13: REGULAR CAPABILITY REVIEWS

The expert panel that will lead a capability review of the Australian Prudential Regulation Authority (APRA) will comprise Chair Graeme Samuel AC, Diane Smith-Gander and Grant Spencer.

In his Final Report, Commissioner Hayne recommended, “A capability review should be undertaken for APRA as soon as is reasonably practicable.” The Productivity Commission also recommended a capability review of APRA.

As part of our response, the Government agreed to conduct regular capability reviews going forward and to a capability review of APRA commencing in 2019.

The expert panel has thorough understanding of the Australian financial system and APRA’s role as Australia’s prudential supervisor and possesses strong senior leadership experience across public and private sector organisations.

Mr Samuel was formerly the Chairman of the Australian Competition and Consumer Commission and President of the National Competition Council. Ms Smith-Gander has previously been a senior executive at Westpac and partner at McKinsey & Company and is currently an adjunct professor in corporate governance at the University of Western Australia. Mr Spencer was the former Deputy Governor and Head of Financial Stability, and former Acting Governor, at the Reserve Bank of New Zealand and has held former senior roles at the International Monetary Fund.

As part of its activities, it is anticipated that the panel will give specific consideration to APRA’s capability to promote financial stability within its frameworks as well as its readiness to respond to issues raised by the Royal Commission and the Productivity Commission.

This includes APRA’s capability to regulate superannuation entities for the benefit of members, the role of enforcement activities and coercive powers and the supervision of culture, governance and remuneration in regulated institutions.

The APRA capability review will provide a forward-looking assessment of APRA’s ability to respond to an environment of growing complexity and emerging risks for APRA’s regulated sectors.

The capability review will build on the recently completed International Monetary Fund’s Financial Sector Assessment Program which included an assessment of APRA’s policy and supervisory framework for banks and insurers.

The panel’s work will commence in March 2019 and will report to government by 30 June 2019.

The Coalition Government has agreed to take action on all 76 recommendations contained in the Royal Commission’s Final Report and, in a number of important areas, is going further.

Restoring trust in Australia’s financial system is part of our plan for a stronger economy.

Ends