

**Answer to question in writing:**

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS**

**REVIEW OF THE APRA ANNUAL REPORT 2019**

**APRA10QW:** Over the past year:

(a) How many bank employees have had investigations opened into their conduct under the BEAR?

(b) How many bank employees have had investigations closed into their conduct under the BEAR?

(c) How many bank employees have had fines issued regarding their conduct under the BEAR?

**Answer:**

- a) On 17 December 2019, APRA announced that a formal investigation into the conduct of Westpac had commenced. The investigation will examine whether Westpac, its directors and/or its senior managers breached the Banking Act – including the Banking Executive Accountability Regime (BEAR) – or contravened APRA’s prudential standards.
- b) None.
- c) None, noting that APRA does not have the ability to impose monetary penalties on individuals under the BEAR. The BEAR powers provide APRA with the ability to apply to the Federal Court of Australia for monetary penalties against an entity in respect of breaches of the entity’s accountability obligations. Further to this, major Authorised Deposit-taking Institutions (ADIs) were only covered by the BEAR from 1 July 2018 with smaller and medium ADIs being covered from 1 July 2019. Given the prospective nature of this legislation, and the Government’s expectation that APRA would only seek civil penalties for significant breaches of the BEAR, there has been limited time for such conduct to be revealed.