

House of Representatives Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Review of the APRA Annual Report (Second Report) 2019

Division/Agency: Australian Prudential Regulation Authority

Question No: APRA11QW

Topic: Competition

Reference: Question in writing

Member: The Hon Dr Andrew Leigh MP

Question:

In response to the Capability Review's recommendation that APRA 'create a competition champion within APRA', APRA responded:

... APRA will review and enhance its decision-making processes to more actively champion the consideration of all elements of APRA's mandate. APRA will strengthen its engagement and collaboration with the ACCC, as part of its strategic initiative in the 2018-2022 Corporate Plan.

Please provide an update on APRA's progress in creating a competition champion in APRA, or equivalent work?

Answer:

All APRA Members have overarching responsibility for achieving APRA's mandate, including consideration of competition, efficiency, contestability and competitive neutrality.

Following the Capability Review, APRA published information paper describing how APRA approaches balancing its objectives, including competition:

<https://www.apra.gov.au/sites/default/files/Information%20paper%20-%20APRA%27s%20objectives%20FINAL%2011-11.pdf>.

APRA has also taken a number of steps in recent years with a competition perspective firmly in mind. These include facilitative measures to promote more active competition and simplification efforts aimed at lifting the burden on smaller ADIs. Further detail on specific steps taken can be found here: <https://www.apra.gov.au/news-and-publications/apra-chair-wayne-byres-speech-to-coba-2019-customer-owned-banking-convention>.

APRA has also significantly increased its engagement with the Australian Competition and Consumer Commission (ACCC) since the Capability Review. As part of this, APRA announced an updated Memorandum of Understanding (MoU) with the ACCC on 15 September 2020, which commits both agencies to a broader model of engagement, with a greater emphasis on proactive information sharing and collaboration. Further information regarding the MoU can be found here: <https://www.apra.gov.au/news-and-publications/apra-and-acc-sign-updated-memorandum-of-understanding>.