



## Review of the Australian Prudential Regulation Authority Annual Report 2014 (Second Report)

The House Economics Committee has today tabled its second report on the *Review of the Australian Prudential Regulation Authority Annual Report 2014*.

The Chair of the committee, Mr John Alexander OAM MP, said that although it was pleasing to learn from APRA that the Australian financial sector is showing overall stability, there is evidence of emerging risks in the housing market which must be carefully monitored.

Mr Alexander commented that 'an increased scrutiny of mortgage portfolios is an appropriate response to this issue and we will be requesting updates from APRA in this regard at future hearings.'

In the superannuation industry, the management of conflicts of interest needs improvement and new and more detailed disclosure requirements are not yet fully implemented. APRA has given undertakings that it is continuing to oversee and promote better governance in this sector.

The prudential responsibilities of the Private Health Insurance Administration Council will be transferring to APRA in July of this year. The committee is monitoring this transition with interest.

The outcomes of the recent Financial System Inquiry (FSI) and the current work of the Basel Committee may well impact future capital requirements for Australian banks. The committee will continue to discuss this with APRA at future hearings.

The next APRA hearing will be held on 23 October 2015 in Canberra.

The report is available on the committee's website at: <http://www.aph.gov.au/economics>.

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