

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

2016 - 2017

Department/Agency: Australian Prudential Regulation Authority

Question: 164

Topic: Bank manager accountability

Reference: Written – 19 October 2016

Senator: Ketter, Chris

Question:

APRA has indicated its support for greater accountability of bank managers along the lines of monitoring conducted in the UK. Media reports indicate the banking sector has resisted this idea. Has APRA consulted the banks?

1. If so: what were their objections?
2. What is APRA's view of those objections?

Answer:

The UK Senior Managers Regime was implemented in March 2016 and applies to individuals in the most senior executive position in relevant firms. In APRA's view, it is too early to determine the actual costs and benefits of the new regime.

APRA is generally supportive of initiatives that promote greater accountability, but has not consulted on any changes to existing standards recently. Initiatives that are successful in other jurisdictions are of interest to APRA, but it is important that any practices adopted here are appropriate for the Australian context.