

## Senate Standing Committee on Economics

### ANSWERS TO QUESTIONS ON NOTICE

#### Treasury Portfolio

Additional Estimates 20-21 February 2008

#### Question: aet 13

**Topic:** Formulation of the new APRA service charter

**Hansard Page:** Written

#### Senator BUSHBY asked:

- Could you outline the background to and procedures leading up to the formulation of the new APRA service charter which as referred to in the APRA Chairman's report in the 2007 Annual Report?
- What research did you perform in developing the charter?
- Did you survey APRA's underlying customers (banking customers etc)?
- Did you survey APRA's stakeholder institution?
- In the result of such surveys... what were your customers saying? Do you have an executive summary?
- Does APRA keep a 'complaints' register (for stakeholders and consumers)?
- Does APRA conduct any stakeholder consultation on what it does and how it does it?
- What other industry liaison is conducted by APRA?
- Does APRA maintain a record of customer complains from consumers, the industries it oversees, or other stakeholders?
- If so, how many complaints have been received?
- How does APRA deal with the complaints it receives?
- Does it publish a list of complaints received and how it has addressed these complaints?

#### Answer:

##### Service Charter

The Report of the *Taskforce on Reducing Regulatory Burden on Business* (the Banks Report) recommended that APRA, in consultation with Government and industry, develop a service charter, setting out the key rights and responsibilities of APRA and its regulated entities. In its *Statement of Expectations* of APRA, the Government encouraged APRA to implement this recommendation and APRA agreed to do so in its *Statement of Intent*.

Following consultations with Treasury, in December 2007 APRA provided a draft of its service charter to the main industry and consumer bodies (16 in all) in the financial sectors that APRA supervises, and sought their responses. The last of these responses was received in March 2008.

APRA has been analysing feedback and intends to release the service charter in May.

As a separate initiative, APRA is developing a 'stakeholder survey' that will garner the opinion of external stakeholders (including beneficiaries, regulated institutions and their responsible persons) about APRA's overall performance, its perceived

## **Senate Standing Committee on Economics**

### **ANSWERS TO QUESTIONS ON NOTICE**

#### **Treasury Portfolio**

Additional Estimates 20-21 February 2008

strengths and opportunities for improvement. The survey will be tested with interested parties before being conducted, as the first in a regular series, in the latter part of 2008.

#### **Consultation and liaison**

Through its supervisory activities, APRA has frequent contact with boards and senior executives of individual regulated institutions; it also liaises regularly with the main industry associations and professional bodies in the financial sector. These contacts enable APRA to keep up-to-date on industry developments and issues, and provide effective communication channels for industry participants to raise issues candidly with APRA. In developing prudential or reporting requirements, APRA also consults widely and in a transparent manner to ensure that all relevant views on proposed changes to requirements are properly considered.

#### **Complaints**

APRA is not a dedicated complaints-handling organisation and the day-to-day commercial dealings between individual consumers and their financial institutions are generally outside the scope of a prudential regulator. When APRA receives complaints about such dealings, it refers them to the relevant complaints body. APRA does assess whether the complaint may be indicative of a broader problem which has prudential aspects that APRA may need to pursue. APRA recognises that the general public expects regulated financial institutions to conduct their affairs prudently and in accordance with APRA's prudential standards, and APRA undertakes to respond efficiently and courteously to all inquiries and concerns.

Where APRA receives feedback from members of the public which is prudential in nature, this is referred to the supervisor of the relevant entity for consideration.

Since July 2007 to 30 March 2008, APRA has received 17 complaints about its service. APRA ensures that investigations into the complaints it receives are conducted by a more senior member of staff who is not involved in the subject of the complaint. The complainant is advised of the outcome of the complaint and may also be advised that the matter may be referred to the Commonwealth Ombudsman.

APRA does not publish a list of complaints received nor their resolution.