



Opening statement for Senate Estimates

9 October 2025

Thank you for the opportunity to appear before you today.

I'd like to begin by acknowledging the new members of this Committee, particularly Chair Senator Darmanin and Deputy Chair Senator Hume. APRA looks forward to continuing to work with the Committee throughout this Parliamentary term.

I'm pleased to confirm to the committee that Australia has a stable and safe financial system, benefiting from prudential regulation and policy settings reviewed and enhanced over many years. The importance of a stable financial system cannot be underestimated at a time of such global uncertainty.

Appearances before parliamentary committees such as this are one of the key mechanisms through which APRA remains accountable to the parliament and the Australian people. Another is our Annual Report, which we tabled to parliament last week.

Our 2024-25 Annual Report details how APRA continues to deliver on its core purpose of maintaining the resilience and stability of banks, insurers and superannuation trustees. The past 12 months have been marked by ongoing geopolitical volatility and cyber threats. Despite these challenges, APRA's Annual Report confirms that our banks have "unquestionably strong" levels of capital to protect deposits and support lending; insurers retain the financial strength to pay claims from policyholders; and the superannuation industry continues to deliver robust returns for members, while also making headway in improving retirement outcomes.

APRA's forward-looking roadmap for fulfilling our mandate is outlined in our Corporate Plan, published in August, which outlines our policy, supervision, resolution and data priorities.

As always, our latest plan has a strong focus on maintaining the financial and operational resilience of the financial system and responding to significant and emerging risks.

This year our Corporate Plan elevates "getting the balance right" as a strategic priority. While APRA's prudential framework has always been proportionate, as required by our mandate, we are sharpening our focus to ensure our regulation remains right-sized and efficient – and therefore supportive of competition and productivity in the economy.

So far, APRA has announced nine initiatives to increase proportionality and reduce regulatory burden. In banking, these include streamlining our bank licensing process and formalising a three-tiered approach to proportionality. Other commitments include promoting access to cost-effective reinsurance in general insurance, reducing life insurers' capital requirements for annuities, and removing duplicative or unnecessary requirements, especially in data reporting.

Our Corporate Plan also outlines how we are intensifying scrutiny of superannuation fund expenditure and reviewing the investment governance of major platform providers.

To that end, APRA wrote to trustees this week requiring them to accelerate and escalate efforts to safeguard member investments held in platform products after an APRA review found some weak practices in relation to onboarding and monitoring of platform products. Based on the findings of this review, APRA will provide each in-scope Platform Trustee with an individual assessment letter bilaterally and escalate supervisory intensity as required.

We have also published insights into the challenges facing some superannuation trustees in operational efficiency, growth and competitive positioning and emphasised to Trustees the importance of considering these challenges as part of their strategic and business planning.

Another top priority in the months ahead is finalising reforms to our cross-industry framework for governance. This is a significant piece of work; well-governed institutions are likely to be more resilient in times of stress, while poor governance can create weakness that leads to misconduct, losses and failures. We have had more submissions to this consultation than any other in recent memory. We will provide an interim update on the consultation shortly.

In July, we announced we were keeping our macroprudential policy settings, including the mortgage serviceability buffer, on hold. Housing credit continues to grow at sound levels and continue to flow to different borrower segments, including to first-home buyers. Even though inflation and interest rates are lower, we are mindful of ongoing geopolitical and economic uncertainty. Further, lower interest rates have historically led to higher credit growth and leverage, higher house prices and often more risky lending. As a result, we are engaging with banks on implementation aspects of different macroprudential tools to manage lending risks, which may include limits on new high debt-to-income lending, or limits on new investor or interest-only loans.

We also intend to further strengthen cyber resilience across all APRA's regulated industries given the recent escalation of attacks. We were reminded of this threat earlier this year when several major superannuation funds were the target of credential stuffing attacks.

Closely related to cyber security is operational resilience. In July, APRA's new prudential standard on operational risk management, CPS 230, came into effect. This standard is aimed at ensuring banks, insurers and superannuation trustees can respond to business disruptions that may impact their delivery of essential financial services to the community, particularly in relation to their use of service providers.

Another key initiative will be the publication in coming months of the results of our inaugural System Stress Test, designed to evaluate interconnectedness between the banking and superannuation sectors.

Before wrapping up, I would like to acknowledge the recent announcement of APRA Deputy Chair Margaret Cole's decision to leave APRA by the end of her current term next year. Margaret has made a great contribution to APRA since joining us in 2021. Margaret has strengthened our legal and enforcement functions and helped reshape processes to make APRA a more efficient regulator.

With that, my APRA colleagues are happy to take your questions.