

**WORKING WITH OTHER AGENCIES AND INDUSTRY** It is important that APRA has effective working relationships with other key agencies with an interest in the financial sector. Because responsibilities can overlap, cooperation is often necessary to achieve common objectives and to reduce compliance burdens for industry.

To underpin these relationships, APRA entered into memoranda of understanding with the Australian Securities and Investments Commission (ASIC), the Reserve Bank (RBA), Commonwealth Treasury and the Australian Taxation Office (ATO).

APRA has established strong relationships with major industry representative bodies. These provide one important channel of communication with industry on supervision policy and administration. High-level liaison meetings are held each six months with the major groups, with less formal meetings as necessary in between.

One group with which APRA has a particularly close relationship is the Institute of Actuaries of Australia. During 1998/99, we worked with the Institute on numerous issues, including proposals to reform the supervision framework for general insurers.

We provided speakers and other participants at many industry conferences and seminars over the year. The demand for this has been especially high during APRA's formative period.

## APRA has established strong relationships with major industry representative bodies

Under Australia's new financial regulatory framework, the RBA is responsible for monetary policy and the maintenance of overall financial system stability, including the payments system. It is particularly important for APRA and the Bank to work closely together against a threat to financial system stability. ASIC is charged with promoting market integrity and consumer protection in the financial system. It and APRA have closely related interests in the funds management field and will often need to work jointly to achieve enforcement and compliance objectives. Treasury and APRA share responsibilities to advise the Government in relation to financial sector policy. There is also a need to ensure consistency in some areas of APRA's decision-making with decisions by the Treasurer.

APRA shares responsibilities with the ATO in superannuation. While we are responsible for the prudential supervision of superannuation entities, retirement savings, account providers and related entities, the ATO administers the superannuation guarantee and other laws that govern the taxation treatment of superannuation contributions and benefits.

We also concluded a memorandum of understanding with the Motor Accidents Authority of NSW. This organisation regulates compulsory third party personal injury insurance and guarantees the payment of all claims in the event of a general insurer's insolvency – consequently it has a close interest in APRA's supervision of the solvency of licensed general insurers.

We intend to conclude a memorandum of understanding with the Australian Competition and Consumer Commission (ACCC). This will, in particular, cover the need for consultation when proposals for APRA to use its transfer of business powers could have consequences for competition.

Along with the RBA and ASIC, APRA is a member of the Council of Financial Regulators. We are also represented on the Payments System Board of the RBA.

