

# **Australian Prudential Regulation Authority**

## **Regulated Entity Stakeholder Survey Report**

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## Quality and Compliance Statement

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This project was conducted in accordance with the international quality standard ISO 20252, the international information security standard ISO 27001, as well as the Australian Privacy Principles contained in the Privacy Act 1988 (Cth). ORIMA Research also adheres to the Privacy (Market and Social Research) Code 2021 administered by the Australian Data and Insights Association (ADIA).

## Acknowledgments

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ORIMA pays respect to Aboriginal and Torres Strait Islander Peoples past and present, their cultures and traditions and acknowledges their continuing connection to land, sea and community.

We would also like to acknowledge and thank all the participants who were involved in our research for their valuable contribution.

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## Background and Methodology

### Purpose

Since 2009 the Australian Prudential Regulation Authority (APRA) has conducted biennial surveys of the entities that it regulates. This feedback is used to understand the effectiveness and impact of APRA’s regulation, and the financial sector’s perceptions of APRA’s processes and communications.

### Method and Response Rate

Each regulated entity is invited to respond individually, with each entity within related groups individually invited. One organisational response per entity is allowed. Each survey needs to be reviewed and endorsed by the entity’s CEO (or a delegate) before being submitted, and only surveys so endorsed are used for the analysis. The results are shown at the overall level and for specific industries. For the overall results, each entity’s responses are given equal weight.

For the 2009 to 2019 surveys multiple contacts in each entity were sent the link to the survey, which gave them all access to the same single organisational response. In 2021 the survey distribution process was updated so each organisation’s survey management link was sent to a single primary contact, while multiple secondary contacts in most entities were advised who was the primary contact with access to the survey. While APRA makes every effort to initially identify the optimal primary contact, entities are able to request changes while the survey is in field. Where the same person is the primary contact for multiple entities, they have a function that enables them to copy and then edit responses to all entities, to make it as easy as possible for all entities to participate. This process was continued in 2023.

In most previous surveys a parallel survey of ‘knowledgeable observers’ has also been conducted, primarily accountants and actuaries. Response rates for this secondary survey had been declining, and following a review of APRA’s wider stakeholder research in 2022, this parallel survey was not conducted in 2023.

A total of 428 entities were invited to participate in the 2023 survey. Of these, 5 contacted ORIMA during fieldwork to advise that they were no longer operating, giving a functional base of 423 entities. **Fully endorsed and submitted surveys were received from 282 entities, a response rate of 67%.** This compares to 68% in 2021 and 62% in 2019, the two most recent surveys with the most comparable methods. Response rates and available sample for analysis did vary somewhat by industry.

	Total	ADI	Friendly Societies	GI	Life Insurance	NOHC	PHI	Super / Trustee
Sample size	282	105	8	57	21	11	29	51
Response rate	67%	74%	73%	67%	78%	44%	85%	48%

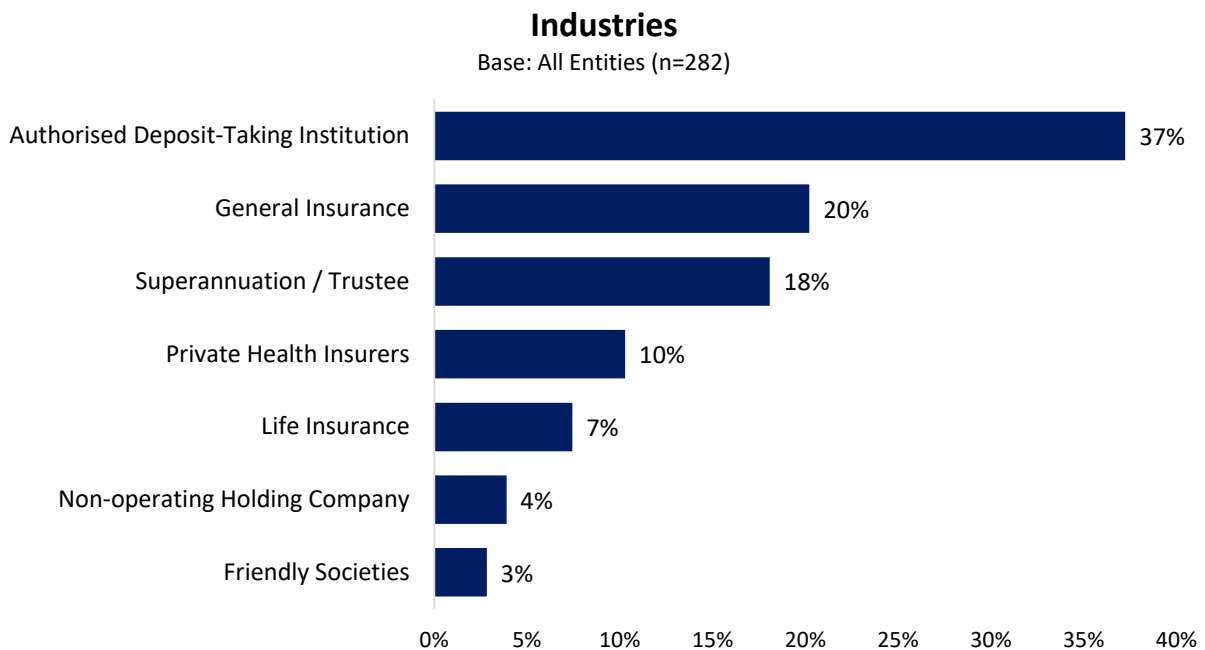
### Survey Content

The previous surveys have retained a constant core set of questions, with new questions added permanently or on a year-by-year basis as required. In consequence, the survey had become quite long, and in places repetitive or no longer relevant. Following the 2022 review, the survey was completely redesigned to be shorter, more relevant, and to make use of more direct questions and

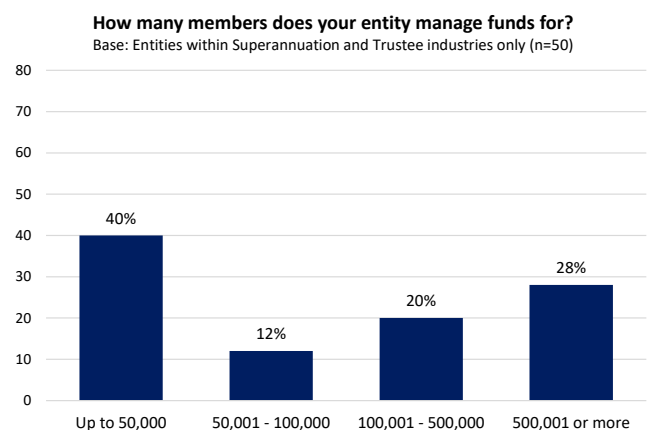
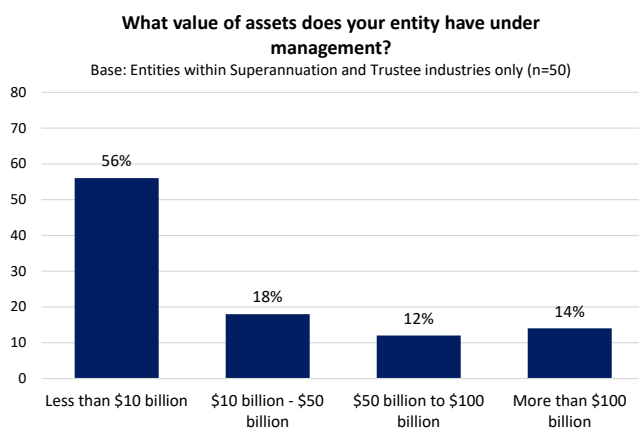
response options. These changes were intended to make it faster and easier for entities to respond, and to make it clearer how to interpret and answer questions. Just one set of key questions was retained from the previous survey, for calibration purposes.

In 2023 a set of questions for the Financial Regulator Assessment Authority (FRAA) was also included. These questions are also shown in this report.

### Sample composition



### Breakdown on Superannuation / Trustee respondent size



## Summary of Results

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The 2023 APRA survey of regulated entities (REs) was the first to use a mostly new survey. After using the same set of questions for the previous six biennial surveys, the new survey was deliberately designed to be shorter for entities to complete, replaced the universal agree/disagree scales with more direct response options for each question, and focussed on topics of current relevance.

To allow calibration against the previous survey waves, the opening battery of overall impact questions that had been used was retained. This showed that more than 90% of REs perceive that the overall impact of APRA's supervision benefits their industry, the Australian community and their entity. These results are largely consistent with previous results, with incremental increases seen over the last four survey waves since 2017. As seen in previous surveys, somewhat fewer agreed that APRA effectively pursues financial safety balanced with considerations of efficiency, competition, contestability and competitive neutrality to promote financial stability. This was lower than in 2021, but only 10% of respondents actively disagreed this was the case.

Overall, **the calibration to previous surveys showed no major discontinuities in broad RE perceptions of APRA.** This allows us to then interpret the results from the new questions more confidently.

The new impact and effectiveness questions use a positive/neutral/negative scale. Using this scale the nett scores (ie: % positive ratings minus % negative ratings) were **+91% for the impact of APRA's supervision on the industry, +90% for impact on the financial wellbeing of the Australian community, and +80% for impact on the financial and operational strength of the entity.** Respondents from the Super industry gave the lowest ratings for impact on their entity.

As suggested in the calibration questions, overall feedback to APRA from the survey was generally strong – but also showed some areas of relatively lower perceptions, both in terms of topics and from some segments. Notably the **Superannuation / Trustee respondents (“Super”) gave distinctly the lowest ratings for almost all items in the 2023 survey,** and the smaller Super REs were especially less positive. In previous years the Super industry respondents have tended to the lower end of ratings, but not to the extent seen in 2023.

While REs clearly see a positive impact of APRA's supervision of their industries, the challenge of balancing that impact with the burden of regulation is something they naturally feel – with **questions related to the balance of burden and benefit being the lowest rated in 2023.** Consistent with what was seen in the calibration questions, a smaller majority felt that APRA balances the objectives of financial safety with considerations of efficiency, competition, contestability, as well as promoting financial stability. 64% felt that APRA achieved this *moderately or very effectively* (though only 10% felt this was done *inadequately*); and 62% felt that there was a *fairly balanced or high level of benefit* for their industry compared to the burden of regulatory requirements. In the 2023 survey Super respondents gave much lower ratings to these questions (35% and 39% respectively).

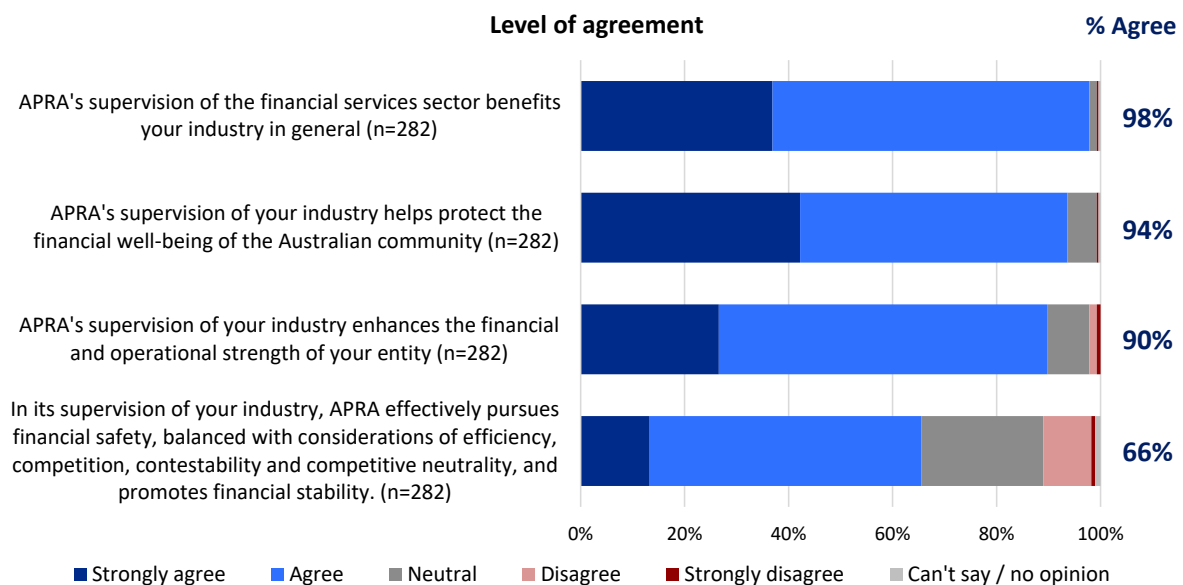
APRA's capability around supervision was also rated moderately strongly, but with very low levels of perceived *inadequacy*. When rating the supervision team responsible for their organisation, around 2-in-3 REs felt that their industry experience (74%), skills (71%), organisational understanding (68%) and seniority (62%) were either *strong or very strong*, and just 2-5% rated them as *inadequate*. These ratings were highest for Private Health Insurers (83-97%) and lowest for Super (41-49%).

Feedback on APRA's communications and consultation processes were in a similar range. Around 2-in-3 respondents felt that consultation packages were readily understood (68%), that APRA clearly communicated during consultation about proposed changes (64%) and has provided sufficient opportunity for consultation about proposed changes (60%), with only 4-6% rating APRA as *inadequate* on each of these. However, only 27% felt that changes to the prudential framework had sufficiently considered the cost of regulation on industry (and 33% felt this was *inadequate*).

## Calibration with Previous Surveys

This first battery of questions was retained in the 2023 survey in order to calibrate RE perceptions with those that have been seen in previous surveys. This was done in order to facilitate a controlled transition to the use of new questions in the current and future survey waves.

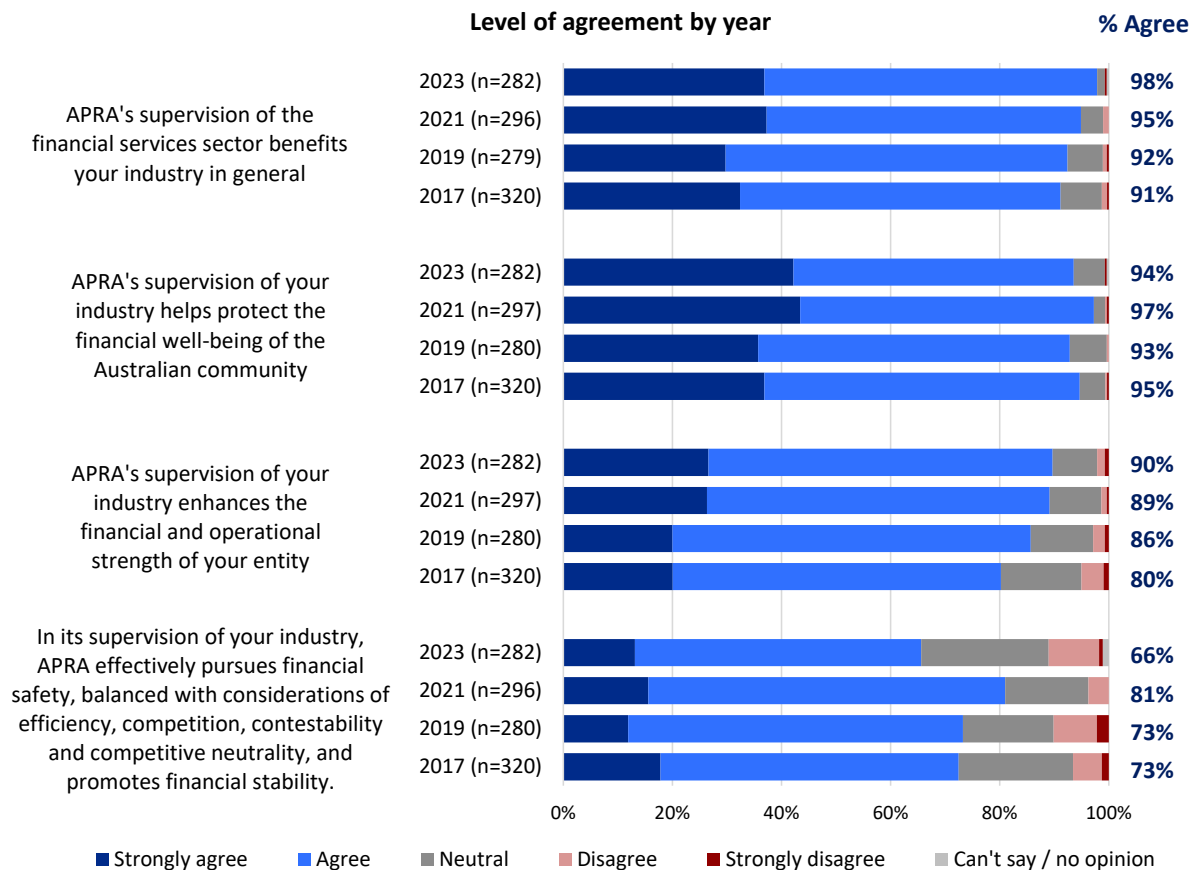
Please rate your entity's level of agreement with each of the following statements. Question 1



		Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Can't say / no opinion	% Agree
1A	APRA's supervision of the financial services sector benefits your industry in general (n=282)	37%	61%	1%	0%	0%	0%	98%
1C	APRA's supervision of your industry helps protect the financial well-being of the Australian community (n=282)	42%	51%	6%	0%	0%	0%	94%
1B	APRA's supervision of your industry enhances the financial and operational strength of your entity (n=282)	27%	63%	8%	1%	1%	0%	90%
1D	In its supervision of your industry, APRA effectively pursues financial safety, balanced with considerations of efficiency, competition, contestability and competitive neutrality, and promotes financial stability. (n=282)	13%	52%	23%	9%	1%	1%	66%

% Agree		ADI (n=105)	Friendly Societies (n=8)	GI (n=57)	Life Insurance (n=21)	NOHC (n=11)	PHI (n=29)	Super / Trustee (n=51)
1A	APRA's supervision of the financial services sector benefits your industry in general	97%	100%	100%	95%	100%	97%	98%
1C	APRA's supervision of your industry helps protect the financial well-being of the Australian community	97%	100%	93%	90%	91%	93%	88%
1B	APRA's supervision of your industry enhances the financial and operational strength of your entity	92%	100%	96%	90%	100%	86%	75%
1D	In its supervision of your industry, APRA effectively pursues financial safety, balanced with considerations of efficiency, competition, contestability and competitive neutrality, and promotes financial stability.	70%	75%	74%	71%	73%	62%	43%

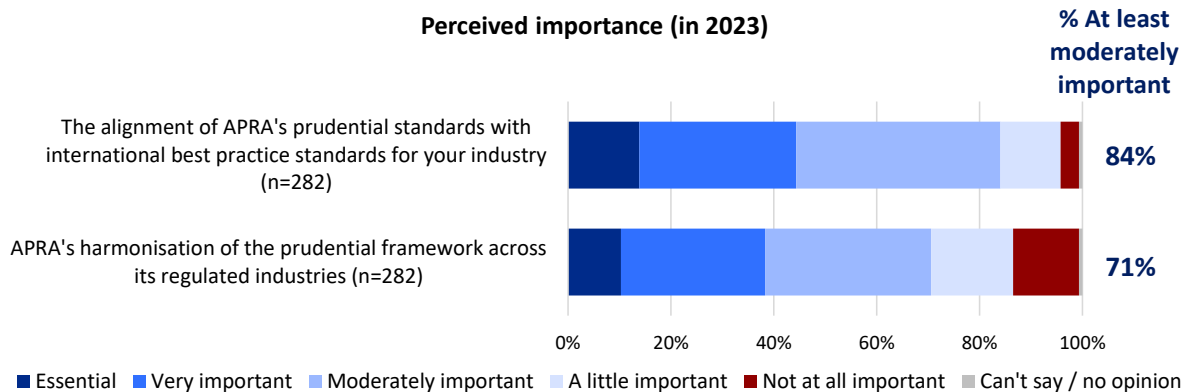
Please rate your entity's level of agreement with each of the following statements. Question 1





			Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Can't say / no opinion	% Agree
1A	APRA's supervision of the financial services sector benefits your industry in general	2023 (n=282)	37%	61%	1%	0%	0%	0%	98%
		2021 (n=296)	37%	57%	4%	1%	0%	0%	95%
		2019 (n=279)	30%	63%	6%	1%	0%	0%	92%
		2017 (n=320)	32%	58%	8%	1%	0%	0%	91%
1C	APRA's supervision of your industry helps protect the financial well-being of the Australian community	2023 (n=282)	42%	51%	6%	0%	0%	0%	94%
		2021 (n=297)	43%	54%	2%	0%	0%	0%	97%
		2019 (n=280)	36%	57%	7%	0%	0%	0%	93%
		2017 (n=320)	37%	58%	5%	0%	0%	0%	95%
1B	APRA's supervision of your industry enhances the financial and operational strength of your entity	2023 (n=282)	27%	63%	8%	1%	1%	0%	90%
		2021 (n=297)	26%	63%	9%	1%	0%	0%	89%
		2019 (n=280)	20%	66%	11%	2%	1%	0%	86%
		2017 (n=320)	20%	60%	15%	4%	1%	0%	80%
1D	In its supervision of your industry, APRA effectively pursues financial safety, balanced with considerations of efficiency, competition, contestability and competitive neutrality, and promotes financial stability.	2023 (n=282)	13%	52%	23%	9%	1%	1%	66%
		2021 (n=296)	16%	65%	15%	4%	0%	0%	81%
		2019 (n=280)	12%	61%	16%	8%	2%	0%	73%
		2017 (n=320)	18%	55%	21%	5%	1%	0%	73%

**In 2023, how important to your organisation is:** Question 2



		Essential	Very important	Moderately important	A little important	Not at all important	Can't say / no opinion	% At least moderately important
2B	The alignment of APRA's prudential standards with international best practice standards for your industry (n=282)	14%	30%	40%	12%	4%	1%	84%
2A	APRA's harmonisation of the prudential framework across its regulated industries (n=282)	10%	28%	32%	16%	13%	1%	71%

% At least moderately important		ADI (n=105)	Friendly Societies (n=8)	GI (n=57)	Life Insurance (n=21)	NOHC (n=11)	PHI (n=29)	Super / Trustee (n=51)
2B	The alignment of APRA's prudential standards with international best practice standards for your industry	85%	88%	79%	100%	91%	86%	78%
2A	APRA's harmonisation of the prudential framework across its regulated industries	72%	88%	68%	95%	91%	45%	67%

Questions 2A and 2B were asked in a slightly different way in 2017, 2019 and 2021, using an agreement scale ('Strongly Disagree' to 'Strongly Agree' rather than a direct response scale, so the results are not directly comparable to 2023. The previous question wording was:

*Please rate your entity's level of agreement with each of the following statements.*

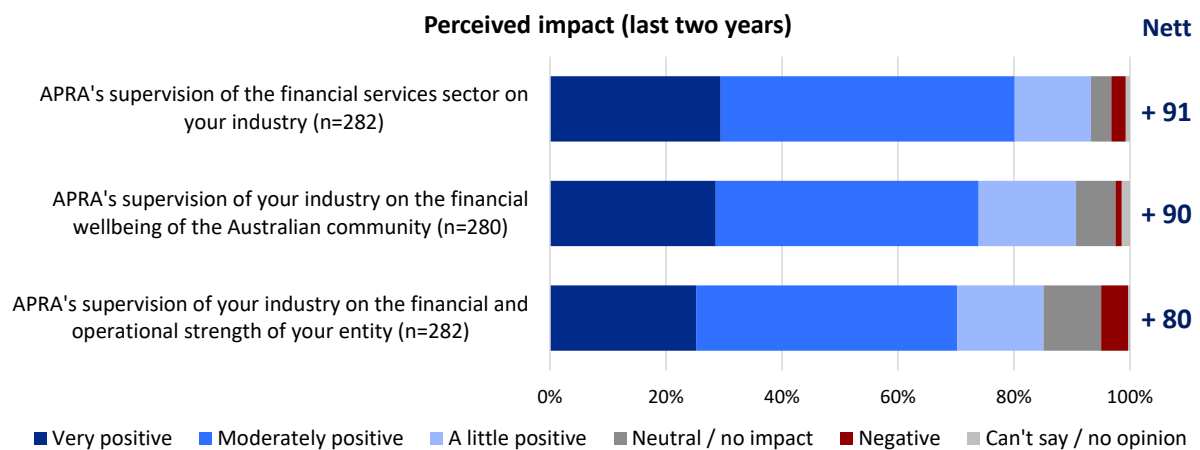
- *The alignment of APRA's prudential standards with international best practice standards for your industry is important (71-75% of respondents agreed).*
- *APRA's harmonisation of the prudential framework across its regulated industries is important for your entity (53-67% agreed).*

## Detailed 2023 Results

The 2023 survey contained three primary modules. This section shows the results for each question at the overall level, and then broken down by industry. While the full range of responses is shown overall, the most meaningful indicator is shown for the industry-level results (such as the nett score, or 'top-2-box' scores).

### Impact and Effectiveness

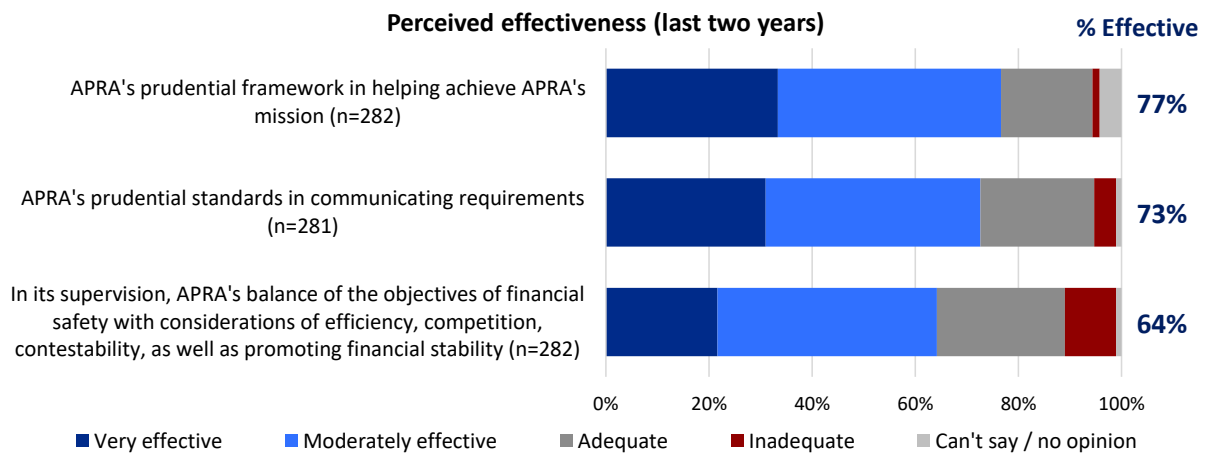
Overall, in the last two years, what do you consider the impact of: Question 3



		Very positive	Moderately positive	A little positive	Neutral / no impact	Negative	Can't say / no opinion	Nett
3A	APRA's supervision of the financial services sector on your <u>industry</u> (n=282)	29%	51%	13%	4%	2%	1%	+ 91
3C	APRA's supervision of your industry on the financial wellbeing of the Australian <u>community</u> (n=280)	29%	45%	17%	7%	1%	1%	+ 90
3B	APRA's supervision of your industry on the financial and operational strength of your <u>entity</u> (n=282)	25%	45%	15%	10%	5%	0%	+ 80

		Nett score shown Positive minus negative						
3A	APRA's supervision of the financial services sector on your <u>industry</u>	+ 92	+ 75	+ 100	+ 100	+ 100	+ 86	+ 76
3C	APRA's supervision of your industry on the financial wellbeing of the Australian <u>community</u>	+ 91	+ 63	+ 91	+ 90	+ 100	+ 93	+ 84
3B	APRA's supervision of your industry on the financial and operational strength of your <u>entity</u>	+ 92	+ 100	+ 75	+ 67	+ 100	+ 90	+ 55

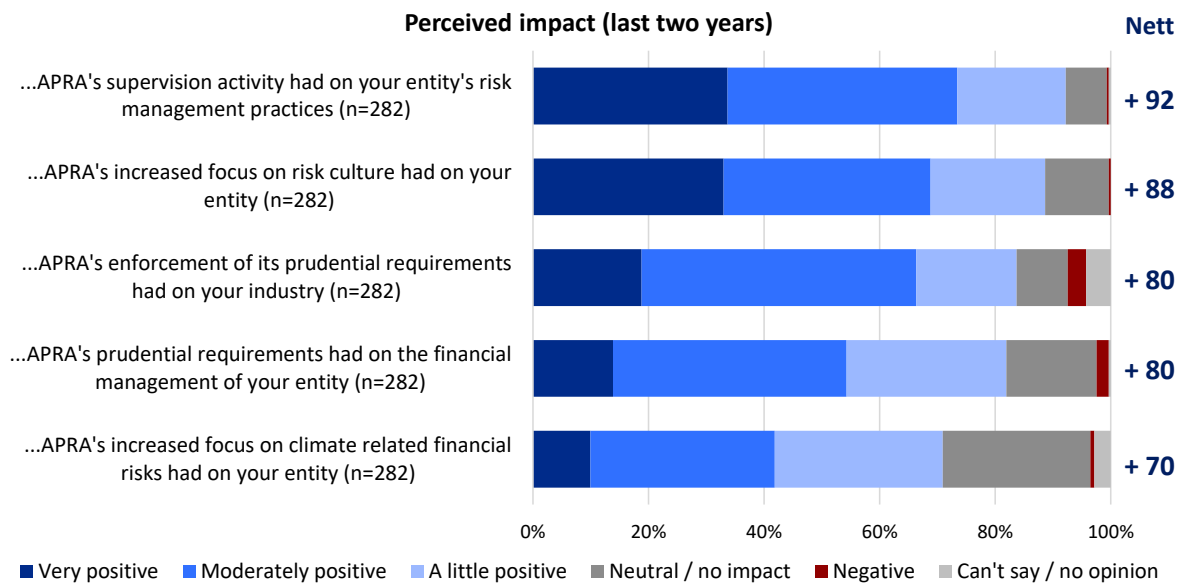
**Overall, in the last two years , how effective has your organisation found:** Question 4



		Very effective	Moderately effective	Adequate	Inadequate	Can't say / no opinion	% Effective
4B	APRA's prudential framework in helping achieve APRA's mission (n=282)	33%	43%	18%	1%	4%	77%
4C	APRA's prudential standards in communicating requirements (n=281)	31%	42%	22%	4%	1%	73%
4A	In its supervision, APRA's balance of the objectives of financial safety with considerations of efficiency, competition, contestability, as well as promoting financial stability (n=282)	22%	43%	25%	10%	1%	64%

% Effective		ADI (n=104-105)	Friendly Societies (n=8)	GI (n=57)	Life Insurance (n=21)	NOHC (n=11)	PHI (n=29)	Super / Trustee (n=51)
4B	APRA's prudential framework in helping achieve APRA's mission	80%	88%	75%	67%	91%	83%	67%
4C	APRA's prudential standards in communicating requirements	78%	75%	70%	71%	55%	86%	61%
4A	In its supervision, APRA's balance of the objectives of financial safety with considerations of efficiency, competition, contestability, as well as promoting financial stability (n=282)	68%	88%	72%	67%	82%	72%	35%

**Overall, in the last two years, what impact has...** Question 5

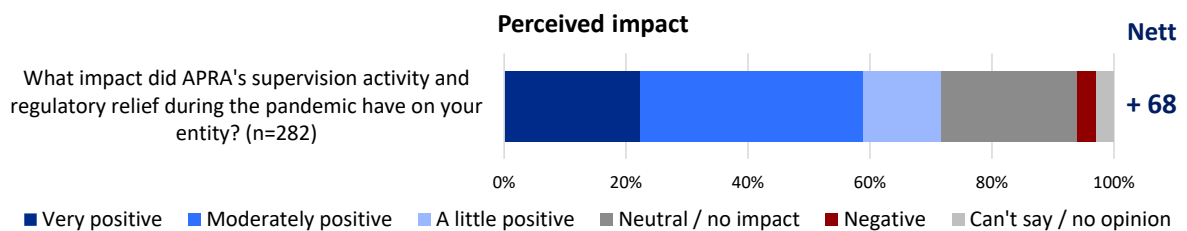


Overall, in the last two years, what impact has...		Very positive	Moderately positive	A little positive	Neutral / no impact	Negative	Can't say / no opinion	Nett
5B	...APRA's supervision activity had on your entity's risk management practices (n=282)	34%	40%	19%	7%	0%	0%	+ 92
5D	...APRA's increased focus on risk culture had on your entity (n=282)	33%	36%	20%	11%	0%	0%	+ 88
5A	...APRA's enforcement of its prudential requirements had on your industry (n=282)	19%	48%	17%	9%	3%	4%	+ 80
5C	...APRA's prudential requirements had on the financial management of your entity (n=282)	14%	40%	28%	16%	2%	0%	+ 80
5E	...APRA's increased focus on climate related financial risks had on your entity (n=282)	10%	32%	29%	26%	1%	3%	+ 70

*See over page for industry results*

<b>Nett score shown</b> <i>Positive minus negative</i> <b>Overall, in the last two years, what impact has...</b>		<b>ADI (n=105)</b>	<b>Friendly Societies (n=8)</b>	<b>GI (n=57)</b>	<b>Life Insurance (n=21)</b>	<b>NOHC (n=11)</b>	<b>PHI (n=29)</b>	<b>Super / Trustee (n=51)</b>
5B	...APRA's supervision activity had on your entity's risk management practices	+ 98	+ 100	+ 89	+ 90	+ 100	+ 100	+ 75
5D	...APRA's increased focus on risk culture had on your entity	+ 94	+ 100	+ 91	+ 90	+ 100	+ 86	+ 69
5A	...APRA's enforcement of its prudential requirements had on your industry	+ 80	+ 63	+ 81	+ 100	+ 100	+ 79	+ 73
5C	...APRA's prudential requirements had on the financial management of your entity	+ 84	+ 100	+ 84	+ 76	+ 100	+ 76	+ 63
5E	...APRA's increased focus on climate related financial risks had on your entity	+ 73	+ 50	+ 82	+ 62	+ 91	+ 52	+ 63

**What impact did APRA's supervision activity and regulatory relief during the pandemic have on your entity?** Question 6

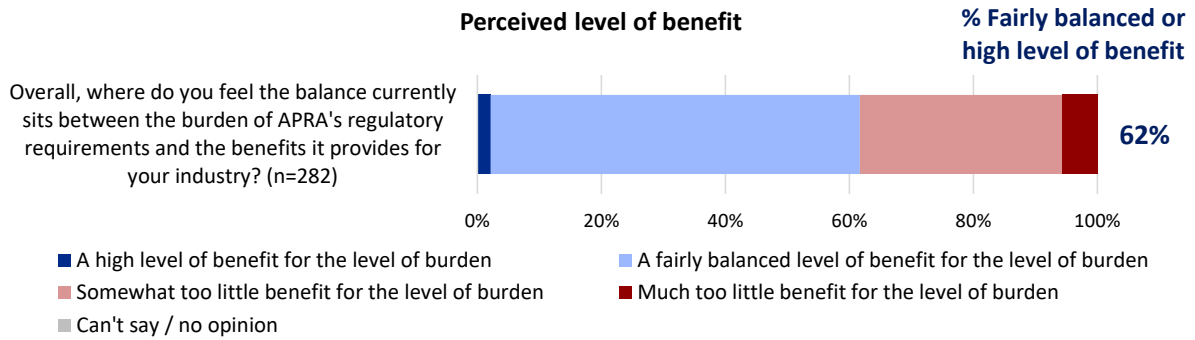


		<b>Very positive</b>	<b>Moderately positive</b>	<b>A little positive</b>	<b>Neutral / no impact</b>	<b>Negative</b>	<b>Can't say / no opinion</b>	<b>Nett</b>
6	What impact did APRA's supervision activity and regulatory relief during the pandemic have on your entity? (n=282)	22%	37%	13%	22%	3%	3%	<b>+ 68</b>

<b>Nett score shown</b> <i>Positive minus negative</i>		<b>ADI (n=105)</b>	<b>Friendly Societies (n=8)</b>	<b>GI (n=57)</b>	<b>Life Insurance (n=21)</b>	<b>NOHC (n=11)</b>	<b>PHI (n=29)</b>	<b>Super / Trustee (n=51)</b>
6	What impact did APRA's supervision activity and regulatory relief during the pandemic have on your entity?	+ 79	+ 38	+ 67	+ 57	+ 55	+ 83	+ 53

## Performance and Communication

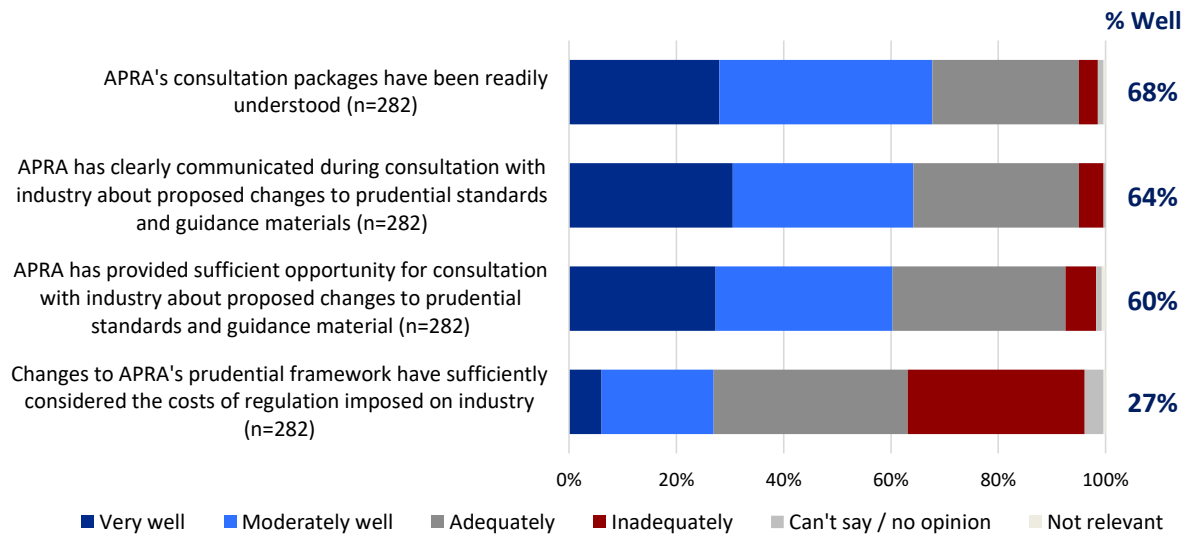
**Overall, where do you feel the balance currently sits between the burden of APRA's regulatory requirements and the benefits it provides for your industry?** Question 7



		A high level of benefit for the level of burden	A fairly balanced level of benefit for the level of burden	Somewhat too little benefit for the level of burden	Much too little benefit for the level of burden	Can't say / no opinion	% Fairly balanced or high level of benefit for the level of burden
7	Overall, where do you feel the balance currently sits between the burden of APRA's regulatory requirements and the benefits it provides for your industry? (n=282)	2%	60%	33%	6%	0%	62%

	% Fairly balanced or high level of benefit for the level of burden	ADI (n=105)	Friendly Societies (n=8)	GI (n=57)	Life Insurance (n=21)	NOHC (n=11)	PHI (n=29)	Super / Trustee (n=51)
7	Overall, where do you feel the balance currently sits between the burden of APRA's regulatory requirements and the benefits it provides for your industry?	69%	63%	68%	57%	82%	59%	39%

**Overall, how well does your organisation feel:** Question 8



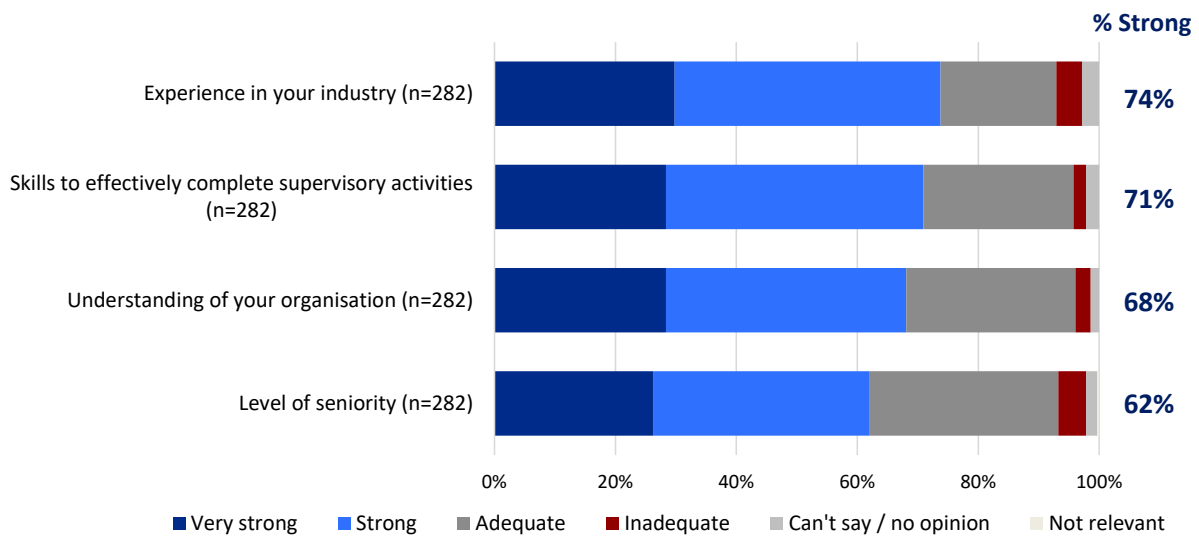
		Very well	Moderately well	Adequately	Inadequately	Can't say / no opinion	Not relevant	% Well
8C	APRA's consultation packages have been readily understood (n=282)	28%	40%	27%	4%	1%	0%	68%
8D	APRA has clearly communicated during consultation with industry about proposed changes to prudential standards and guidance materials (n=282)	30%	34%	31%	5%	0%	0%	64%
8B	APRA has provided sufficient opportunity for consultation with industry about proposed changes to prudential standards and guidance material (n=282)	27%	33%	32%	6%	1%	1%	60%
8A	Changes to APRA's prudential framework have sufficiently considered the costs of regulation imposed on industry (n=282)	6%	21%	36%	33%	4%	0%	27%

*See over page for industry results*



% Well		ADI (n=105)	Friendly Societies (n=8)	GI (n=57)	Life Insurance (n=21)	NOHC (n=11)	PHI (n=29)	Super / Trustee (n=51)
8C	APRA's consultation packages have been readily understood	69%	63%	70%	62%	82%	69%	63%
8D	APRA has clearly communicated during consultation with industry about proposed changes to prudential standards and guidance materials	65%	63%	60%	67%	45%	83%	61%
8B	APRA has provided sufficient opportunity for consultation with industry about proposed changes to prudential standards and guidance material	70%	63%	44%	71%	36%	55%	61%
8A	Changes to APRA's prudential framework have sufficiently considered the costs of regulation imposed on industry	36%	25%	28%	19%	27%	34%	6%

**In the last two years, how does your organisation feel about the following aspects of the APRA supervision team responsible for your organisation?** Question 10

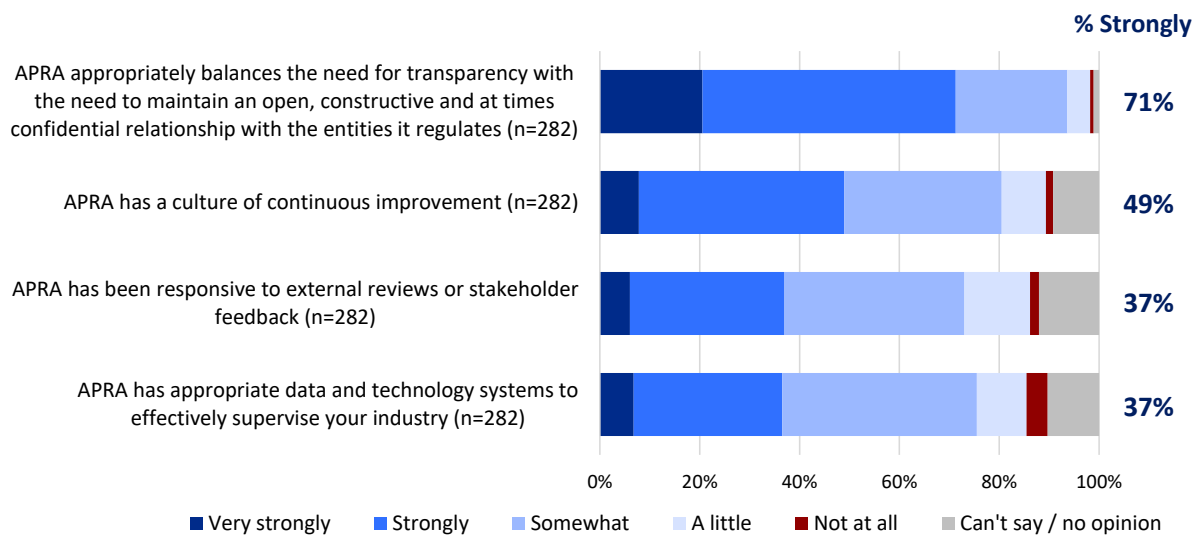


		Very strong	Strong	Adequate	Inadequate	Can't say / no opinion	Not relevant	% Strong
10B	Experience in your industry (n=282)	30%	44%	19%	4%	3%	0%	74%
10D	Skills to effectively complete supervisory activities (n=282)	28%	43%	25%	2%	2%	0%	71%
10A	Understanding of your organisation (n=282)	28%	40%	28%	2%	1%	0%	68%
10C	Level of seniority (n=282)	26%	36%	31%	5%	2%	0%	62%

	% Strong	ADI (n=105)	Friendly Societies (n=8)	GI (n=57)	Life Insurance (n=21)	NOHC (n=11)	PHI (n=29)	Super / Trustee (n=51)
10B	Experience in your industry	72%	88%	84%	76%	91%	90%	49%
10D	Skills to effectively complete supervisory activities	70%	50%	82%	71%	91%	97%	45%
10A	Understanding of your organisation	62%	63%	81%	67%	91%	93%	49%
10C	Level of seniority	58%	88%	74%	57%	73%	83%	41%

## Regulatory Relationship

Thinking about the last two years, to what extent does your organisation feel that... Question 12

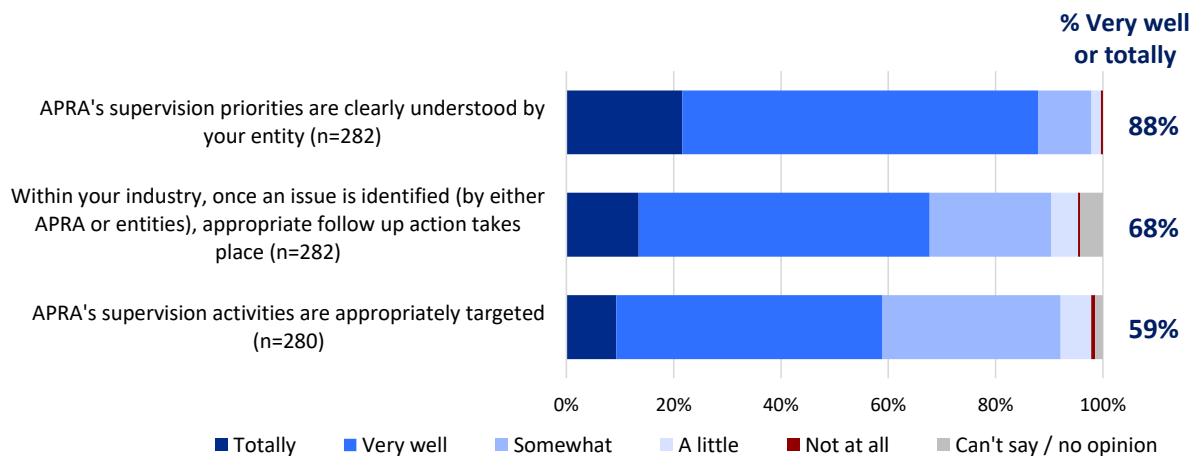


		Very strongly	Strongly	Somewhat	A little	Not at all	Can't say / no opinion	% Strongly
12D	APRA appropriately balances the need for transparency with the need to maintain an open, constructive and at times confidential relationship with the entities it regulates (n=282)	21%	51%	22%	5%	1%	1%	71%
12B	APRA has a culture of continuous improvement (n=282)	8%	41%	32%	9%	1%	9%	49%
12A	APRA has been responsive to external reviews or stakeholder feedback (n=282)	6%	31%	36%	13%	2%	12%	37%
12C	APRA has appropriate data and technology systems to effectively supervise your industry (n=282)	7%	30%	39%	10%	4%	10%	37%

See over page for industry results

% Strongly		ADI (n=105)	Friendly Societies (n=8)	GI (n=57)	Life Insurance (n=21)	NOHC (n=11)	PHI (n=29)	Super / Trustee (n=51)
12D	APRA appropriately balances the need for transparency with the need to maintain an open, constructive and at times confidential relationship with the entities it regulates	65%	88%	82%	76%	91%	83%	57%
12B	APRA has a culture of continuous improvement	49%	25%	63%	29%	73%	76%	25%
12A	APRA has been responsive to external reviews or stakeholder feedback	41%	38%	47%	24%	45%	45%	16%
12C	APRA has appropriate data and technology systems to effectively supervise your industry	40%	25%	33%	29%	36%	52%	29%

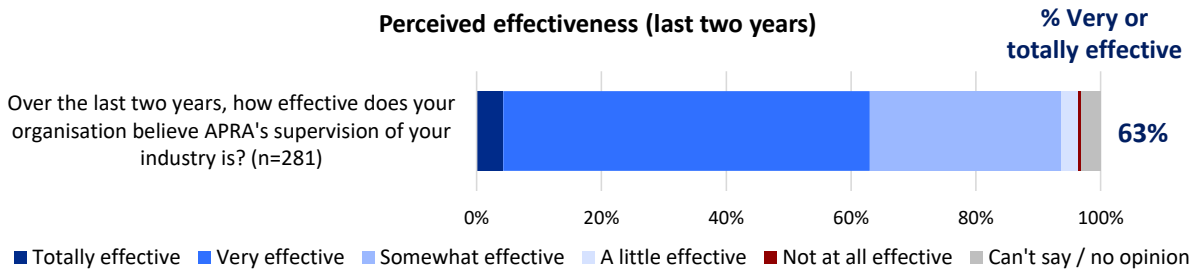
**Over the last two years, to what extent does your organisation feel...** Question 13



		Totally	Very well	Somewhat	A little	Not at all	Can't say / no opinion	% Very well or totally
13A	APRA's supervision priorities are clearly understood by your entity (n=282)	22%	66%	10%	2%	0%	0%	88%
13C	Within your industry, once an issue is identified (by either APRA or entities), appropriate follow up action takes place (n=282)	13%	54%	23%	5%	0%	4%	68%
13B	APRA's supervision activities are appropriately targeted (n=280)	9%	50%	33%	6%	1%	1%	59%

		ADI (n=105)	Friendly Societies (n=8)	GI (n=57)	Life Insurance (n=21)	NOHC (n=11)	PHI (n=27-29)	Super / Trustee (n=51)
13A	APRA's supervision priorities are clearly understood by your entity	86%	88%	89%	100%	91%	97%	80%
13C	Within your industry, once an issue is identified (by either APRA or entities), appropriate follow up action takes place	77%	63%	61%	81%	73%	72%	47%
13B	APRA's supervision activities are appropriately targeted	58%	63%	70%	71%	73%	70%	33%

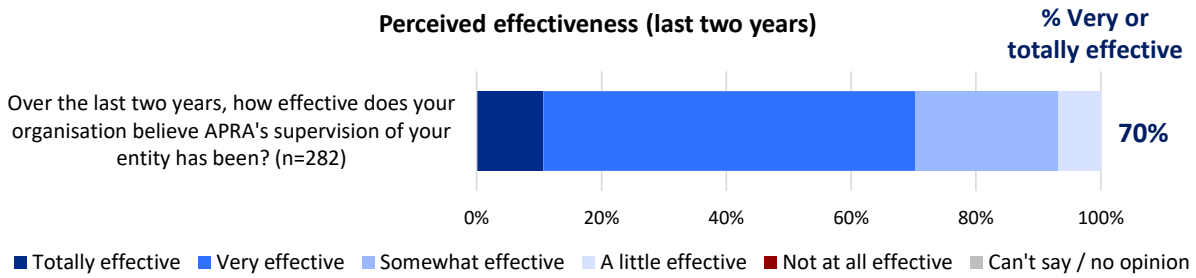
**Over the last two years, how effective does your organisation believe APRA's supervision of your industry is?** Question 14



		Totally effective	Very effective	Somewhat effective	A little effective	Not at all effective	Can't say / no opinion	% Very or totally effective
14	Over the last two years, how effective does your organisation believe APRA's supervision of your industry is? (n=281)	4%	59%	31%	3%	0%	3%	63%

	% Very or totally effective	ADI (n=105)	Friendly Societies (n=8)	GI (n=57)	Life Insurance (n=21)	NOHC (n=11)	PHI (n=28)	Super / Trustee (n=51)
14	Over the last two years, how effective does your organisation believe APRA's supervision of your industry is?	74%	50%	63%	67%	64%	75%	33%

**Over the last two years, how effective does your organisation believe APRA's supervision of your entity has been?** Question 16

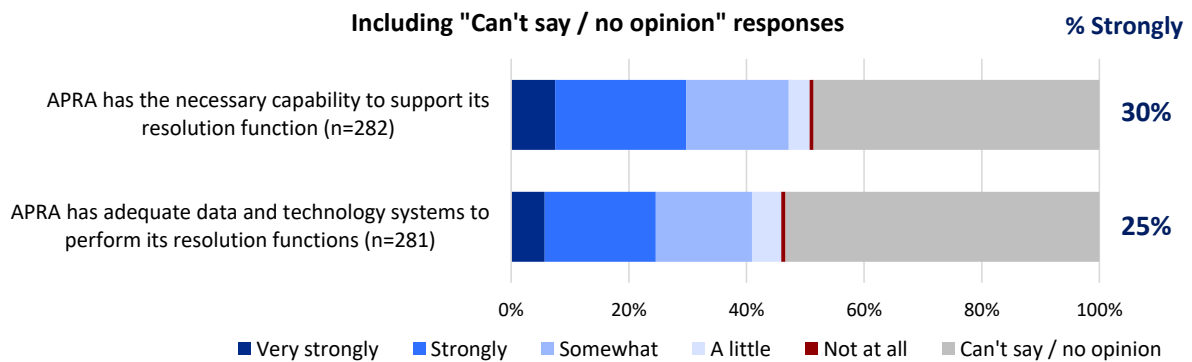


		Totally effective	Very effective	Somewhat effective	A little effective	Not at all effective	Can't say / no opinion	% Very or totally effective
16	Over the last two years, how effective does your organisation believe APRA's supervision of your entity has been? (n=282)	11%	60%	23%	7%	0%	0%	70%

	% Very or totally effective	ADI (n=105)	Friendly Societies (n=8)	GI (n=57)	Life Insurance (n=21)	NOHC (n=11)	PHI (n=29)	Super / Trustee (n=51)
16	Over the last two years, how effective does your organisation believe APRA's supervision of your entity has been?	67%	63%	88%	67%	82%	90%	47%

Results for question 18 are shown twice, first including 'can't say / no opinion' results in the base, and then secondly excluding these responses from the base.

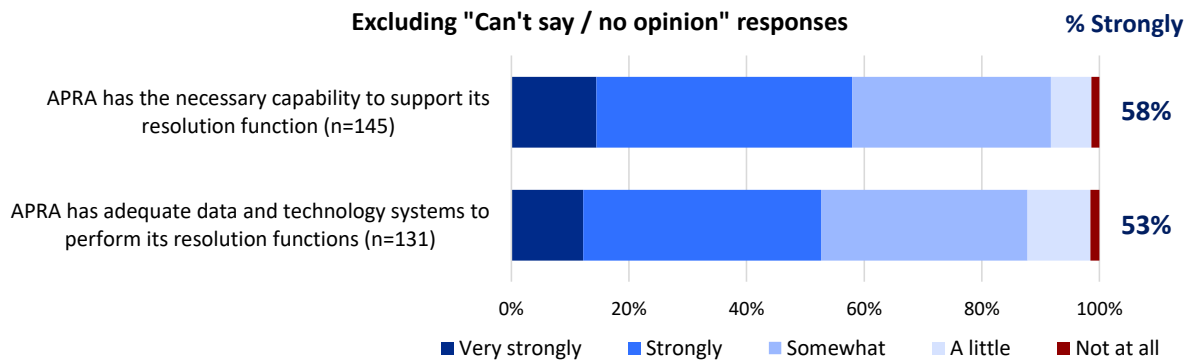
**To what extent does your organisation feel that...** Question 18



		Very strongly	Strongly	Somewhat	A little	Not at all	Can't say / no opinion	% Strongly
18A	APRA has the necessary capability to support its resolution function (n=282)	7%	22%	17%	4%	1%	49%	30%
18B	APRA has adequate data and technology systems to perform its resolution functions (n=281)	6%	19%	16%	5%	1%	53%	25%

% Strongly		ADI (n=105)	Friendly Societies (n=8)	GI (n=57)	Life Insurance (n=21)	NOHC (n=11)	PHI (n=29)	Super / Trustee (n=50-51)
18A	APRA has the necessary capability to support its resolution function	43%	25%	32%	19%	9%	24%	14%
18B	APRA has adequate data and technology systems to perform its resolution functions	37%	0%	21%	19%	9%	17%	16%



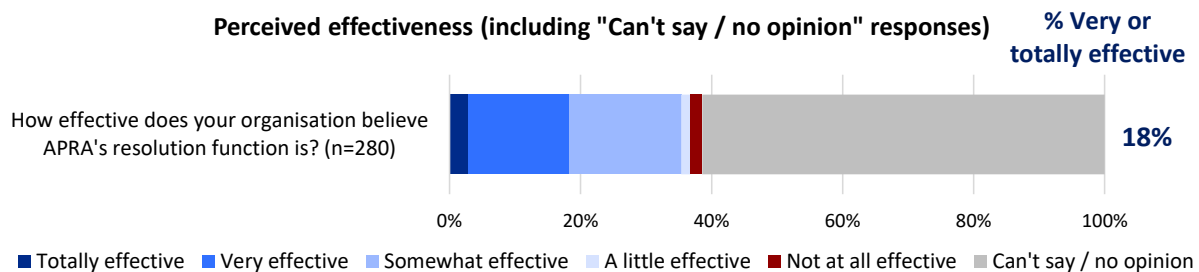


		Very strongly	Strongly	Somewhat	A little	Not at all	% Strongly
18A	APRA has the necessary capability to support its resolution function (n=145)	14%	43%	34%	7%	1%	58%
18B	APRA has adequate data and technology systems to perform its resolution functions (n=131)	12%	40%	35%	11%	2%	53%

% Strongly (Excluding 'Can't say / no opinion')		ADI (n=63-65)	Friendly Societies (n=4-8)	GI (n=22-28)	Life Insurance (n=10)	NOHC (n=2)	PHI (n=12-13)	Super / Trustee (n=20-23)
18A	APRA has the necessary capability to support its resolution function	69%	50%	64%	40%	50%	54%	30%
18B	APRA has adequate data and technology systems to perform its resolution functions	62%	0%	55%	40%	50%	42%	40%

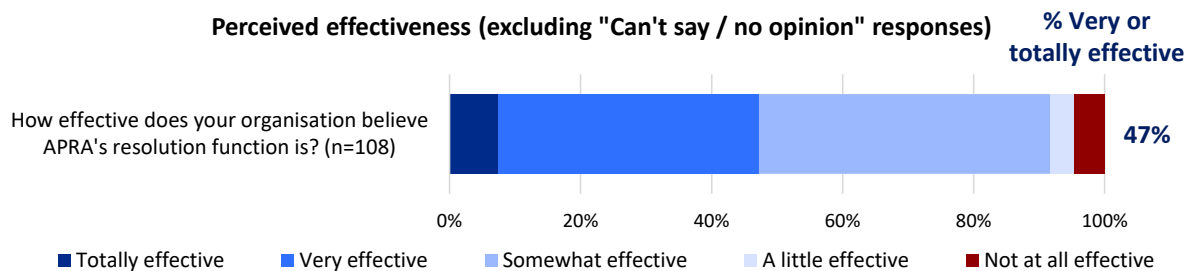
Results for question 19 are shown twice, first including 'can't say / no opinion' results in the base, and then secondly excluding these responses from the base.

### How effective does your organisation believe APRA's resolution function is? Question 19



		Totally effective	Very effective	Somewhat effective	A little effective	Not at all effective	Can't say / no opinion	% Very or totally effective
19	How effective does your organisation believe APRA's resolution function is? (n=280)	3%	15%	17%	1%	2%	61%	18%

		ADI (n=104)	Friendly Societies (n=8)	GI (n=56)	Life Insurance (n=21)	NOHC (n=11)	PHI (n=29)	Super / Trustee (n=51)
<b>% Very or totally effective</b>								
19	How effective does your organisation believe APRA's resolution function is?	30%	0%	20%	5%	9%	10%	8%

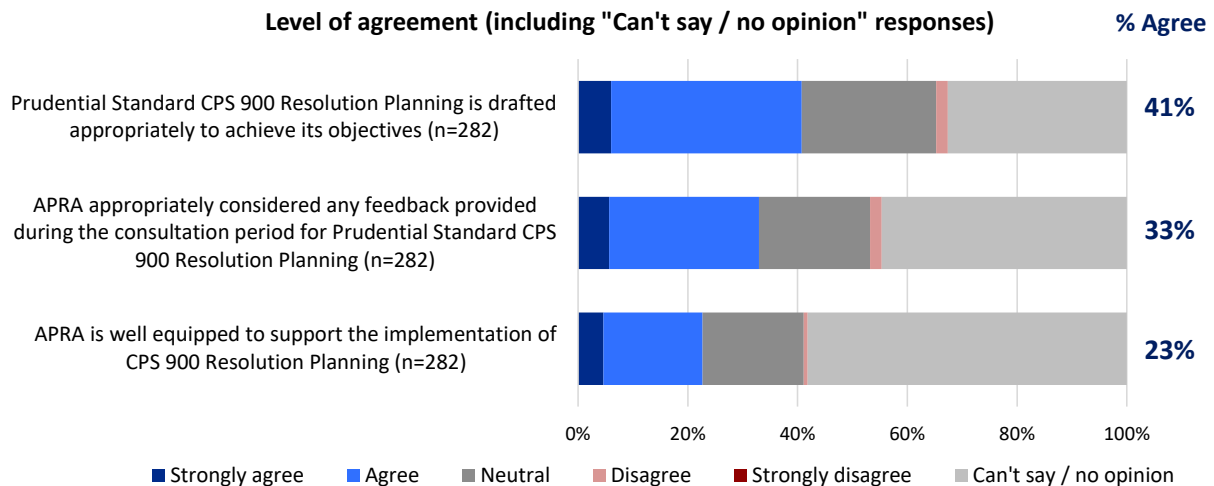


		Totally effective	Very effective	Somewhat effective	A little effective	Not at all effective	% Very or totally effective
19	How effective does your organisation believe APRA's resolution function is? (n=108)	7%	40%	44%	4%	5%	47%

		ADI (n=55)	Friendly Societies (n=8)	GI (n=18)	Life Insurance (n=4)	NOHC (n=2)	PHI (n=11)	Super / Trustee (n=15)
<b>% Very or totally effective (Excluding 'Can't say / no opinion')</b>								
19	How effective does your organisation believe APRA's resolution function is?	56%	0%	61%	25%	50%	27%	27%

Results for question 21 are shown twice, first including 'can't say / no opinion' results in the base, and then secondly excluding these responses from the base.

**To what extent does your organisation agree that...** Question 21

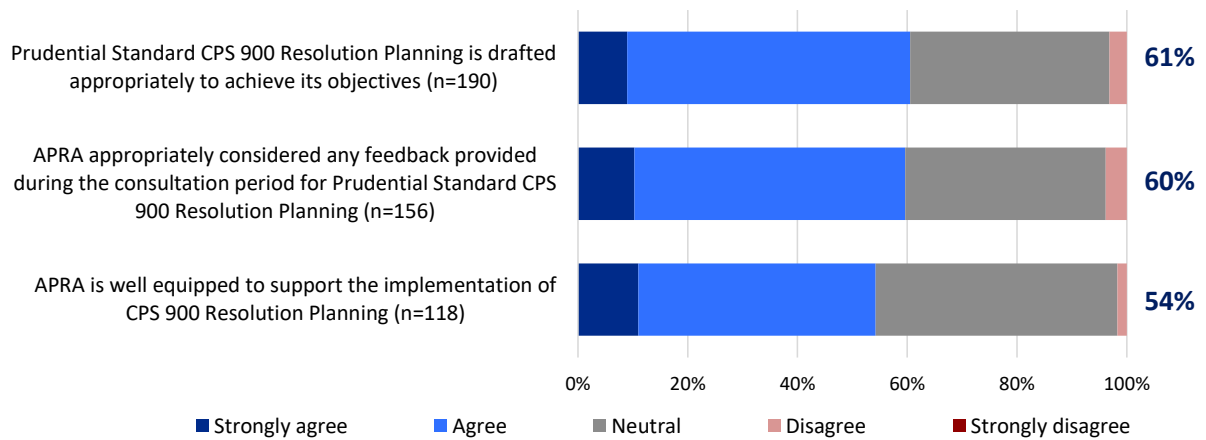


		Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Can't say / no opinion	% Agree
21B	Prudential Standard CPS 900 Resolution Planning is drafted appropriately to achieve its objectives (n=282)	6%	35%	24%	2%	0%	33%	41%
21A	APRA appropriately considered any feedback provided during the consultation period for Prudential Standard CPS 900 Resolution Planning (n=282)	6%	27%	20%	2%	0%	45%	33%
21C	APRA is well equipped to support the implementation of CPS 900 Resolution Planning (n=282)	5%	18%	18%	1%	0%	58%	23%

% Agree		ADI (n=105)	Friendly Societies (n=8)	GI (n=57)	Life Insurance (n=21)	NOHC (n=11)	PHI (n=29)	Super / Trustee (n=51)
21B	Prudential Standard CPS 900 Resolution Planning is drafted appropriately to achieve its objectives	52%	38%	39%	24%	27%	62%	18%
21A	APRA appropriately considered any feedback provided during the consultation period for Prudential Standard CPS 900 Resolution Planning	44%	25%	30%	10%	27%	55%	14%
21C	APRA is well equipped to support the implementation of CPS 900 Resolution Planning	29%	25%	21%	19%	18%	34%	8%

**Level of agreement (excluding "Can't say / no opinion" responses)**

**% Agree**



		Strongly agree	Agree	Neutral	Disagree	Strongly disagree	% Agree
21B	Prudential Standard CPS 900 Resolution Planning is drafted appropriately to achieve its objectives (n=190)	9%	52%	36%	3%	0%	61%
21A	APRA appropriately considered any feedback provided during the consultation period for Prudential Standard CPS 900 Resolution Planning (n=156)	10%	49%	37%	4%	0%	60%
21C	APRA is well equipped to support the implementation of CPS 900 Resolution Planning (n=118)	11%	43%	44%	2%	0%	54%

% Agree (Excluding 'Can't say / no opinion')		ADI (n=58-81)	Friendly Societies (n=4-5)	GI (n=22-35)	Life Insurance (n=8-14)	NOHC (n=3-7)	PHI (n=13-21)	Super / Trustee (n=10-27)
21B	Prudential Standard CPS 900 Resolution Planning is drafted appropriately to achieve its objectives	68%	60%	63%	36%	43%	86%	33%
21A	APRA appropriately considered any feedback provided during the consultation period for Prudential Standard CPS 900 Resolution Planning	66%	50%	55%	20%	43%	89%	44%
21C	APRA is well equipped to support the implementation of CPS 900 Resolution Planning	52%	50%	55%	50%	67%	77%	40%

## Appendix A: 2023 Regulated Entity Questionnaire

### Background

APRA's mission is to protect the Australian Community by establishing and enforcing prudential standards and practices designed to ensure that, under all reasonable circumstances, financial promises made by institutions APRA supervises are met within a stable, efficient and competitive financial system.

This survey is designed to gauge stakeholder views about APRA across a range of activities, including those described in the Government's Statement of Expectations, and APRA's Statement of Intent.

The 2023 APRA regulated entity survey has been deliberately shortened and made more focussed. This year there is also a set of questions included on behalf of the Financial Regulator Assessment Authority (FRAA).

### Answering

For those entities that are part of a broader financial group, please complete the survey on the basis of your entity alone; all regulated entities will be contacted individually.

Questions may need to be answered by more than one contact within your entity. In most instances, the most appropriate respondents will be the people who liaise most with APRA. For example, by being involved in prudential reviews and regular supervisory contact or by providing comments on APRA's consultation packages. There may also be other people within the entity who are better placed to answer certain questions in this survey.

Please be open and frank in your answers. APRA will not be able to identify answers provided by your entity and the results will be published in aggregate form only. APRA will be able to see free text answers. Please be careful not to include anything that identifies you or your entity in free text answers.

**Survey responses must be entered into the entity's survey link, which has been sent to a primary APRA contact. To submit answers, the CEO (or equivalent) will be asked to provide their endorsement at the end of this survey. Surveys must be entered in the online survey system and endorsed by the CEO before COB Friday 10 March.**

Please note that while you cannot modify your completed survey once it is submitted (finalised), you will be able to download a PDF copy of your responses at any time by using the Download Survey Responses (PDF) function in the menu.

### **Contacts for more information:**

**APRA project manager**

[communications@apra.gov.au](mailto:communications@apra.gov.au)

02 9210 3000

**FRAA Secretariat**

[FRAA@treasury.gov.au](mailto:FRAA@treasury.gov.au)

### **For technical support**

[surveys@orima.com](mailto:surveys@orima.com)

1800 806 950

## Module A: Calibration

This first question has been asked in each of APRA's surveys of regulated entities since 2011, and is included for tracking purposes. Please answer this tracking question first.

### 1. Please rate your entity's level of agreement with each of the following statements.

		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Can't say / no opinion
A	APRA's supervision of the financial services sector benefits your industry in general	1	2	3	4	5	6
B	APRA's supervision of your industry enhances the financial and operational strength of your entity	1	2	3	4	5	6
C	APRA's supervision of your industry helps protect the financial well-being of the Australian community	1	2	3	4	5	6
C	In its supervision of your industry, APRA effectively pursues financial safety, balanced with considerations of efficiency, competition, contestability and competitive neutrality, and promotes financial stability.	1	2	3	4	5	6

### 2. In 2023, how important to your organisation is:

		Not at all important	A little important	Moderately important	Very important	Essential	Can't say / no opinion
A	APRA's harmonisation of the prudential framework across its regulated industries	1	2	3	4	5	6
B	The alignment of APRA's prudential standards with international best practice standards for your industry	1	2	3	4	5	6

D1 AND D2 ONLY APPLY IF INDUSTRY = SUPERANNUATION or TRUSTEE

**D1. What value of assets does your entity have under management?**

1. Less than \$10 billion
2. \$10 billion - \$50 billion
3. \$50 billion to \$100 billion
4. More than \$100 billion

**D2. How many members does your entity manage funds for?**

1. Up to 50,000
2. 50,001 – 100,000
3. 100,001 – 500,000
4. 500,001 or more

## Module B: Impact and Effectiveness

This module is about your perceptions of APRA’s impact and effectiveness at the level of your organisation, your industry, and the Australian community more generally.

### 3. Overall, in the last two years, what do you consider the impact of:

		Negative	Neutral / no impact	A little positive	Moderately positive	Very positive	Can't say / no opinion
A	APRA’s supervision of the financial services sector on your <u>industry</u>	1	2	3	4	5	6
B	APRA’s supervision of your industry on the financial and operational strength of your <u>entity</u>	1	2	3	4	5	6
C	APRA’s supervision of your industry on the <u>financial wellbeing of the Australian community</u>	1	2	3	4	5	6

### 4. Overall, in the last two years , how effective has your organisation found:

		Inadequate	Adequate	Moderately effective	Very effective	Can't say / no opinion
A	In its supervision, APRA <u>balances the objectives of</u> financial safety with considerations of efficiency, competition, contestability , as well as promoting financial stability	1	2	3	4	5
B	APRA’s prudential framework in helping achieve APRA’s mission	1	2	3	4	5
C	APRA’s prudential standards in communicating requirements	1	2	3	4	5



**5. Overall, in the last two years , what impact has:**

		Negative	Neutral / no impact	A little positive	Moderately positive	Very positive	Can't say / no opinion
A	... APRA's enforcement of its prudential requirements had on <u>your industry</u>	1	2	3	4	5	6
B	... APRA's supervision activity had on <u>your entity's risk management practices</u>	1	2	3	4	5	6
C	... APRA's prudential requirements had on the <u>financial management of your entity</u>	1	2	3	4	5	6
D	... APRA's <u>increased focus on risk culture</u> had on your entity	1	2	3	4	5	6
E	... APRA's <u>increased focus on climate related financial risks</u> had on your entity	1	2	3	4	5	6

**6. What impact did APRA's supervision activity and regulatory relief during the pandemic have on your entity?**

1. Negative
2. Neutral / no impact
3. A little positive
4. Moderately positive
5. Very positive
6. Can't say / no opinion

## Module C: Performance and Communications

This module is about your organisation’s perceptions of how well APRA communicates with you, and how well it carries out its operations.

**7. Overall, where do you feel the balance currently sits between the burden of APRA’s regulatory requirements and the benefits it provides for your industry?**

1. Much too little benefit for the level of burden
2. Somewhat too little benefit for the level of burden
3. A fairly balanced level of benefit for the level of burden
4. A high level of benefit for the level of burden
5. Can’t say / no opinion

**8. Overall, how well does your organisation feel:**

		Inadequately	Adequately	Moderately well	Very well	Can’t say / no opinion	Not relevant
A	Changes to APRA’s prudential framework have sufficiently considered the costs of regulation imposed on industry	1	2	3	4	5	6
B	APRA has provided sufficient opportunity for consultation with industry about proposed changes to prudential standards and guidance material	1	2	3	4	5	6
C	APRA’s consultation packages have been readily understood	1	2	3	4	5	6
D	APRA has clearly communicated during consultation with industry about proposed changes to prudential standards and guidance materials	1	2	3	4	5	6

**9. What, if anything, would your organisation like APRA to improve or change about its consultation processes with your industry in the next 2-3 years?**

10. In the last two years, how does your organisation feel about the following aspects of the APRA supervision team responsible for your organisation?

		Inadequate	Adequate	Strong	Very strong	Can't say / no opinion	Not relevant
A	Understanding of your organisation	1	2	3	4	5	6
B	Experience in your industry	1	2	3	4	5	6
C	Level of seniority	1	2	3	4	5	6
D	Skills to effectively complete supervisory activities	1	2	3	4	5	6

11. What additional or different skills does your organisation believe the APRA supervision team should have?

## Module D: FRAA Section

This module contains questions that are included by the Financial Regulator Assessment Authority (FRAA). Responses in this section will be seen by both APRA and the FRAA.

Note that some questions in this section may be similar to those asked by APRA. Where this is the case the questions are asked for different purposes, and framed in somewhat different terms.

### 12. Thinking about the last two years, to what extent does your organisation feel that APRA...

		Not at all	A little	Somewhat	Strongly	Very strongly	Can't say / no opinion
A	Has been responsive to external reviews or stakeholder feedback	1	2	3	4	5	6
B	Has a culture of continuous improvement	1	2	3	4	5	6
C	Has appropriate data and technology systems to effectively supervise your industry	1	2	3	4	5	6
D	Appropriately balances the need for transparency with the need to maintain an open, constructive and at times confidential relationship with the entities it regulates	1	2	3	4	5	6

### 13. Over the last two years, to what extent does your organisation feel...

		Not at all	A little	Somewhat	Very well	Totally	Can't say / no opinion
A	APRA's supervision priorities are clearly understood by your entity	1	2	3	4	5	6
B	APRA's supervision activities are appropriately targeted	1	2	3	4	5	6
C	Within your industry, once an issue is identified (by either APRA or entities), appropriate follow up action takes place	1	2	3	4	5	6

14. Over the last two years, how effective does your organisation believe APRA’s supervision of your industry is?

1. Not at all effective
2. A little effective
3. Somewhat effective
4. Very effective
5. Totally effective
6. Can’t say / no opinion

15. Why do you give this rating?

16. Over the last two years, how effective does your organisation believe APRA’s supervision of your entity has been?

1. Not at all effective
2. A little effective
3. Somewhat effective
4. Very effective
5. Totally effective
6. Can’t say / no opinion

17. Why do you give this rating?

Thinking now about APRA’s role as a resolution authority.

18. To what extent does your organisation feel that APRA...

		Not at all	A little	Somewhat	Strongly	Very strongly	Can’t say / no opinion
A	Has the necessary capability to support its <u>resolution</u> function	1	2	3	4	5	6
B	Has adequate data and technology systems to perform its <u>resolution</u> functions	1	2	3	4	5	6

**19. How effective does your organisation believe APRA’s resolution function is?**

1. Not at all effective
2. A little effective
3. Somewhat effective
4. Very effective
5. Totally effective
6. Can’t say / no opinion

**20. Why do you give this rating?**

The last questions are about Prudential Standard *CPS 900 Resolution Planning*.

**21. To what extent does your organisation agree that...**

		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Can't say / no opinion
A	APRA appropriately considered any feedback provided during the consultation period for Prudential Standard CPS 900 Resolution Planning	1	2	3	4	5	6
B	Prudential Standard CPS 900 Resolution Planning is drafted appropriately to achieve its objectives	1	2	3	4	5	6
C	APRA is well equipped to support the implementation of CPS900 Resolution Planning	1	2	3	4	5	6

## Declaration

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1. As the CEO (or its equivalent) or their appointed delegate of my organisation within Australia, I endorse the answers provided in this survey.

Name \_\_\_\_\_

Position title \_\_\_\_\_