


15/08/2023

  
General Manager  
Governance, Culture, Remuneration & Accountability  
Australian Prudential Regulation Authority  
Level 12, 1 Martin Place  
Sydney NSW 2000

Via email to [far@apra.gov.au](mailto:far@apra.gov.au)

Dear Stuart,

**AustralianSuper submission to APRA and ASIC consultation – Financial Accountability Regime - proposed regulator rules and transitional rules**

AustralianSuper welcomes the opportunity to provide a submission to APRA and ASIC's consultation on the Financial Accountability Regime - key functions and regulator rules. While the rules subject to the consultation relate to ADIs, we note APRA and ASIC's comment that superannuation entities may wish to give them consideration in advance of consultation relating to superannuation entities.

AustralianSuper strongly supports the Financial Accountability Regime's aims of improving accountability standards in APRA-regulated entities, driving reform in operating culture and reinforcing the standards of conduct expected by the Australian community.

As APRA and ASIC have proposed, we would welcome consultation on the key function descriptions for superannuation trustees before they are settled. In our view, the key function descriptions in the draft regulator rules could be interpreted to capture activity that is carried out across all three lines of accountability. This increases the likelihood that multiple accountable persons will hold the constituent parts of a key function, which could detract from the regulators gaining a clear understanding of the arrangements they cover.

Additionally, item (p) of the ADI key function definition in section 4 refers to 'risk culture'. The draft ADI Key Functions Descriptions document describes this function as "*establishing the approach used to define and evaluate risk culture including the structures and processes for measuring, analysing and reporting on risk culture and the mechanisms for identifying any desirable changes and assessing the progress to address those changes*". While this is an important accountability, we think that APRA and ASIC should give consideration to expanding this description to include the embedding of risk culture, not just measuring, analysing and reporting on it. Additionally, it is unclear how the function as currently drafted relates to culture more generally, recognising that risk culture is a subset of this.

We would be pleased to provide additional information or to discuss this submission in further detail. If that would be of assistance, please do not hesitate to contact [REDACTED], Acting Head of Government Relations and Public Policy ([REDACTED]).

Regards

[REDACTED]

[REDACTED]

Chief Officer, Strategy & Corporate Affairs (acting)