

Australian Prudential Regulation Authority

2019 Stakeholder Survey Report

May 2019

Melbourne Canberra Sydney Brisbane
www.orima.com.au



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Conducted in accordance with AS ISO 20252 quality standard

I. Background and Methodology

The Australian Prudential Regulation Authority (APRA) has conducted biennial stakeholder surveys since 2009 with Regulated Entities (REs), Knowledgeable Observers (KOs)¹. The survey conducted in May and June 2017 included both REs and KOs.

The 2019 survey was conducted online. Following an introductory email from the APRA Chairman, invitations were sent by email to eligible respondents identified in APRA provided databases. Multiple individuals within REs were able to access the organisation's survey, and completed surveys needed to be endorsed and signed-off by the entity's CEO for it to be included in the survey analysis. Reminder emails and phone calls were used throughout the field period to encourage participation. KO surveys were only completed by the individual invited to participate.

Final response rates for the 2019 survey were 62% for REs with at least one representative invited to participate, and 21% for the KOs. Both of these final figures were similar to, but slightly lower than the equivalent 2017 survey response rates (69% and 27% respectively).

The questionnaire used for the 2019 survey was similar to the previous edition, with only relatively minor changes made to reflect key current areas of interest. The KO survey is a cut-down version of the RE survey, with only some questions being relevant to this group of respondents.

The majority of the questions used a closed 'ratings-scale' format and a five-point scale with two positive response options, two negative options and a neutral option. For the most part, the key result used for analysis is what is known as the 'top-2 box score', which is the proportion of respondents who selected one of the two most positive options.

¹ Directors were also surveyed in the 2015 edition.

II. Key Results and Conclusions

Across the first five editions of the Australian Prudential Regulation Authority (APRA) biennial stakeholder survey the **results have been consistently strong, and while most changes from 2017 to 2019 are downwards, broadly this continues to be the case.** General patterns observed in the 2019 results are:

- The views of Regulated Entities (REs) are generally equal to or more positive than those of Knowledgeable Observers (KOs), a pattern that was observed previously.
- Amongst REs, entities that are part of a group are generally equal to or more positive than entities that are not part of a group.
- All statistically significant changes observed amongst both REs and KOs from 2017 to 2019 are slightly downwards (with the exception of the perceived usefulness of APRA communications amongst REs).

At a headline level, both REs and KOs strongly believe that APRA's supervision and enforcement of prudential requirements is benefiting the Australian community, strengthening their entity and positively impacting on their industry.

	REs	KOs
<i>APRA's supervision of your industry helps protect the financial well-being of the Australian community²</i>	93% ^{-2%}	-
<i>APRA's supervision of the financial services sector enhances the financial and operational strength of your entity²</i>	86% ^{+6%}	-
<i>APRA's enforcement of its prudential requirements has a positive or very positive impact on your industry</i>	80% ^{-5%}	74% ^{-10%}

Superscript figures show comparison to 2017 survey.

While the overall results remain strong, almost all changes observed from 2017 (when the survey was last conducted) are downwards. Results which were statistically significantly³ lower in 2019 included:

- Perception of the importance of APRA's harmonisation of the prudential framework across regulated industries (REs) has dropped significantly in 2019, is at the lowest level recorded, and has shown a steady decline since 2009.
- Perceptions of several dimensions of risk assessment (REs) have declined significantly in 2019, but remain within the normal range for these measures observed over multiple surveys.
- Perceptions of the capabilities of the supervisory teams (REs) are slightly but significantly lower in 2019, and generally at the lower end of what has been observed over time.
- Demonstration of APRA values (KOs) are all slightly but significantly lower in 2019 compared to the first time they were measured in 2017.

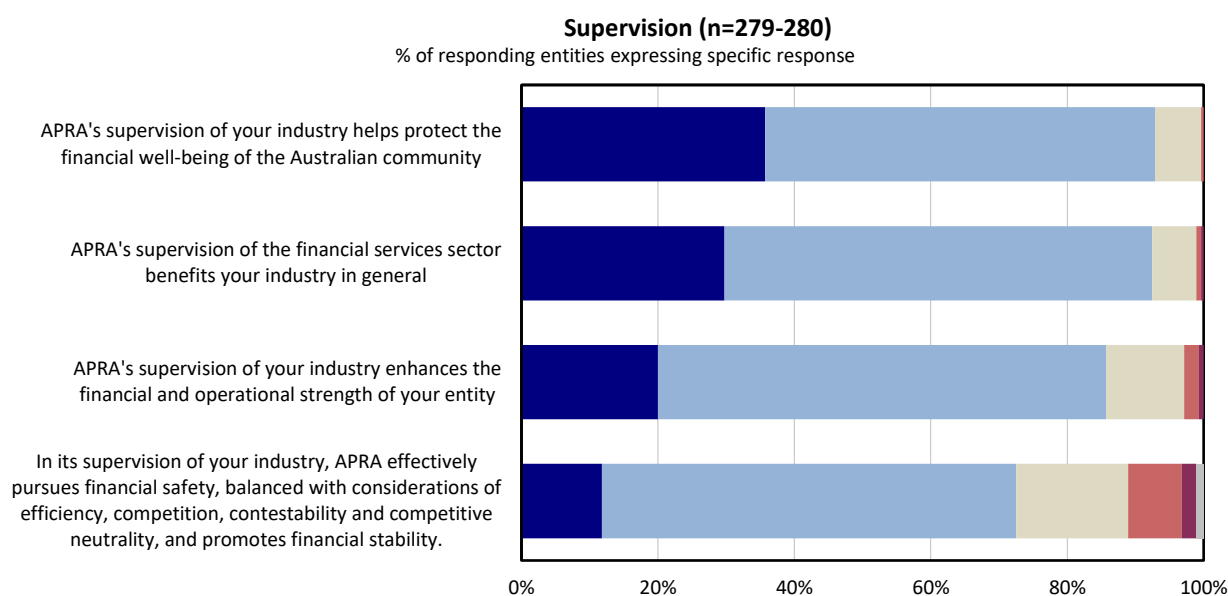
² This question was not asked in the 2019 Knowledgeable Observers survey.

³ Statistical significance was tested at the 95% confidence level, the level most usually used in survey research.

III. Regulated Entity charts and tables

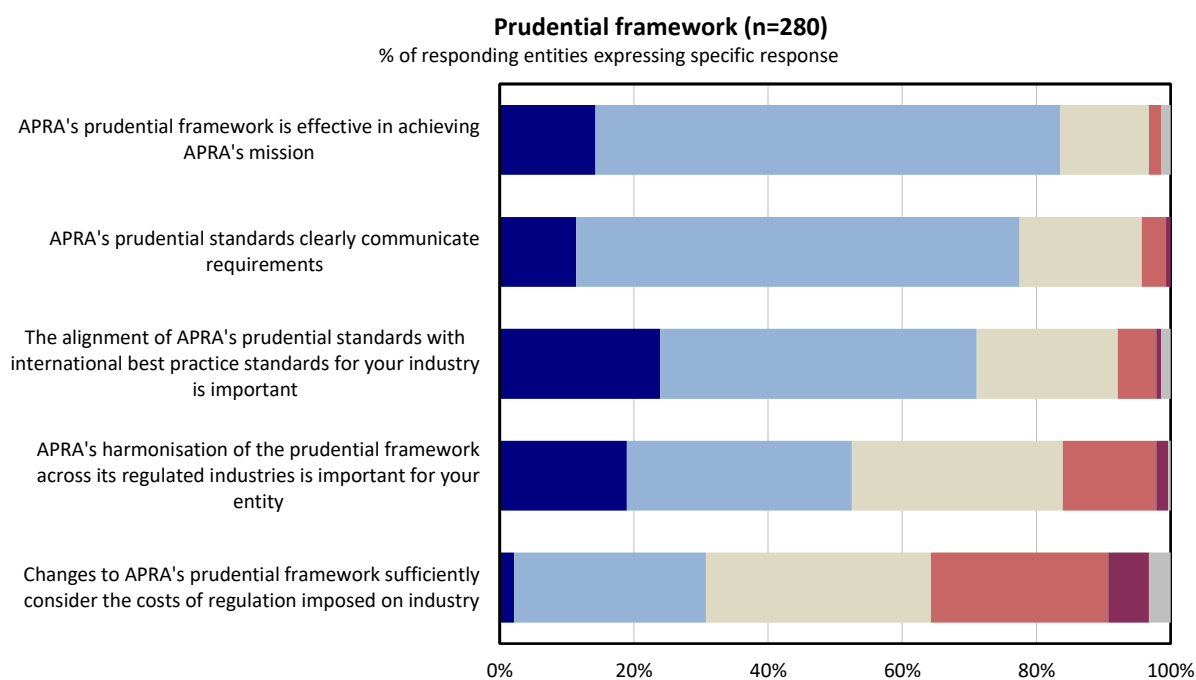
This section of the report shows the detailed results for each of the individual questions asked in the Regulated Entity (RE) survey.

A. Regulated Entity overall frequency distribution charts



	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.	APRA's supervision of your industry enhances the financial and operational strength of your entity	APRA's supervision of the financial services sector benefits your industry in general	APRA's supervision of your industry helps protect the financial well-being of the Australian community
Strongly agree	12%	20%	30%	36%
Agree	61%	66%	63%	57%
Neutral	16%	11%	6%	7%
Disagree	8%	2%	<1%	<1%
Strongly disagree	2%	<1%	<1%	0%
Don't know	1%	0%	0%	0%
Top 2 score	73%	86%	92%	93%
Mean	3.7	4.0	4.2	4.3

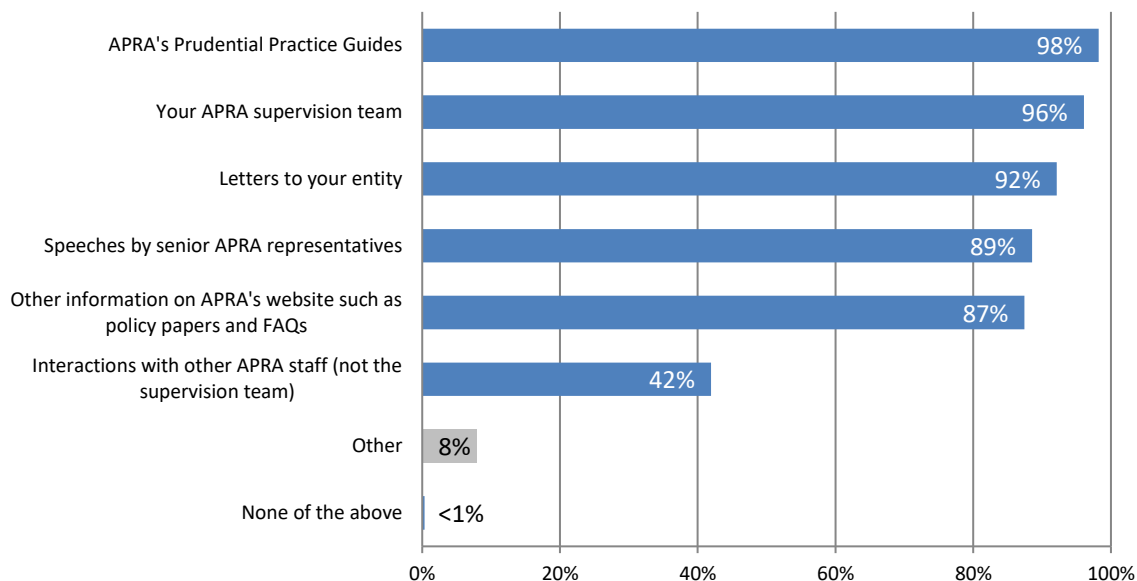
q1c, q1a, q1b, q1d.



	Changes to APRA's prudential framework sufficiently consider the costs of regulation imposed on industry	APRA's harmonisation of the prudential framework across its regulated industries is important for your entity	The alignment of APRA's prudential standards with international best practice standards for your industry is important	APRA's prudential standards clearly communicate requirements	APRA's prudential framework is effective in achieving APRA's mission
■ Strongly agree	2%	19%	24%	11%	14%
■ Agree	29%	34%	47%	66%	69%
■ Neutral	34%	31%	21%	18%	13%
■ Disagree	26%	14%	6%	4%	2%
■ Strongly disagree	6%	2%	<1%	<1%	0%
■ Don't know	3%	<1%	1%	0%	1%
Top 2 score	31%	53%	71%	78%	84%
Mean	2.9	3.5	3.9	3.8	4.0

q2a, q2d, q2c, q2b, q2e.

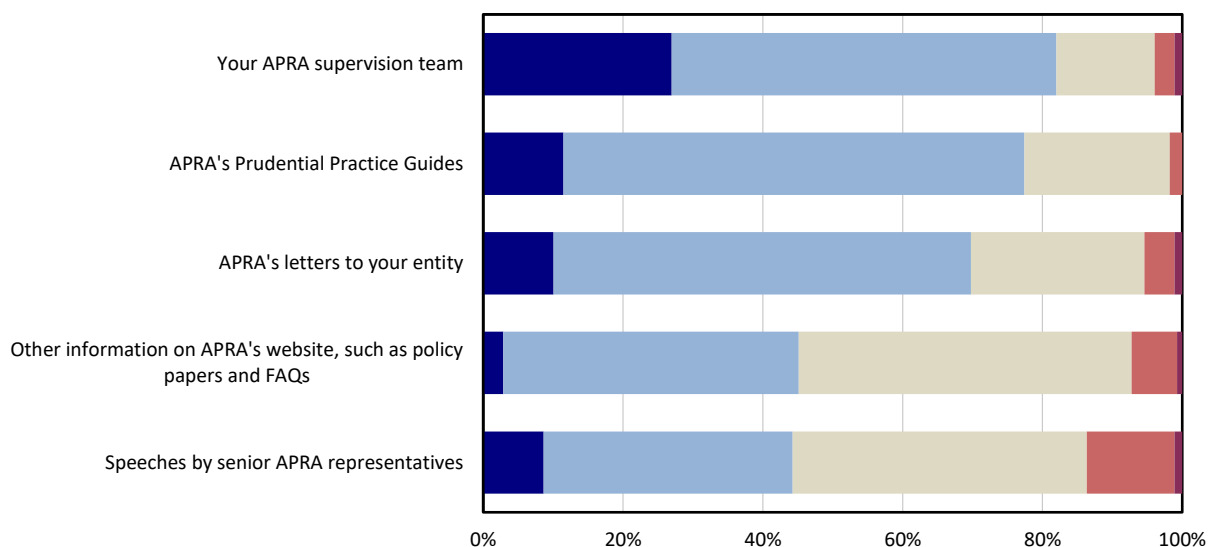
Sources of guidance organisation has used in past 12 months (Multiple Response)
(n=279)



q6.

Usefulness of guidance (n=277-279)

% of responding entities expressing specific response

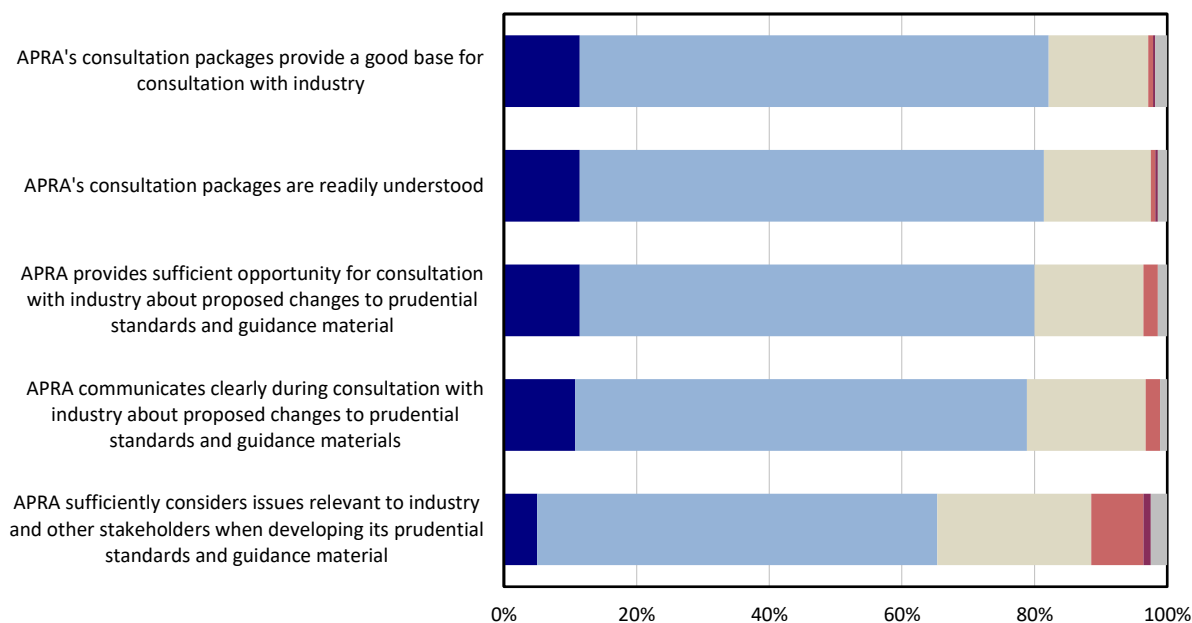


	Speeches by senior APRA representatives	Other information on APRA's website, such as policy papers and FAQs	APRA's letters to your entity	APRA's Prudential Practice Guides	Your APRA supervision team
Extremely useful	9%	3%	10%	11%	27%
Very useful	36%	42%	60%	66%	55%
Moderately useful	42%	48%	25%	21%	14%
Slightly useful	13%	6%	4%	2%	3%
Not useful at all	1%	<1%	1%	0%	1%
Top 2 score	44%	45%	70%	77%	82%
Mean	3.4	3.4	3.7	3.9	4.0

q7a, q7b, q7c, q7e, q7d.

Consultation processes (n=279-280)

'% of responding entities expressing specific response

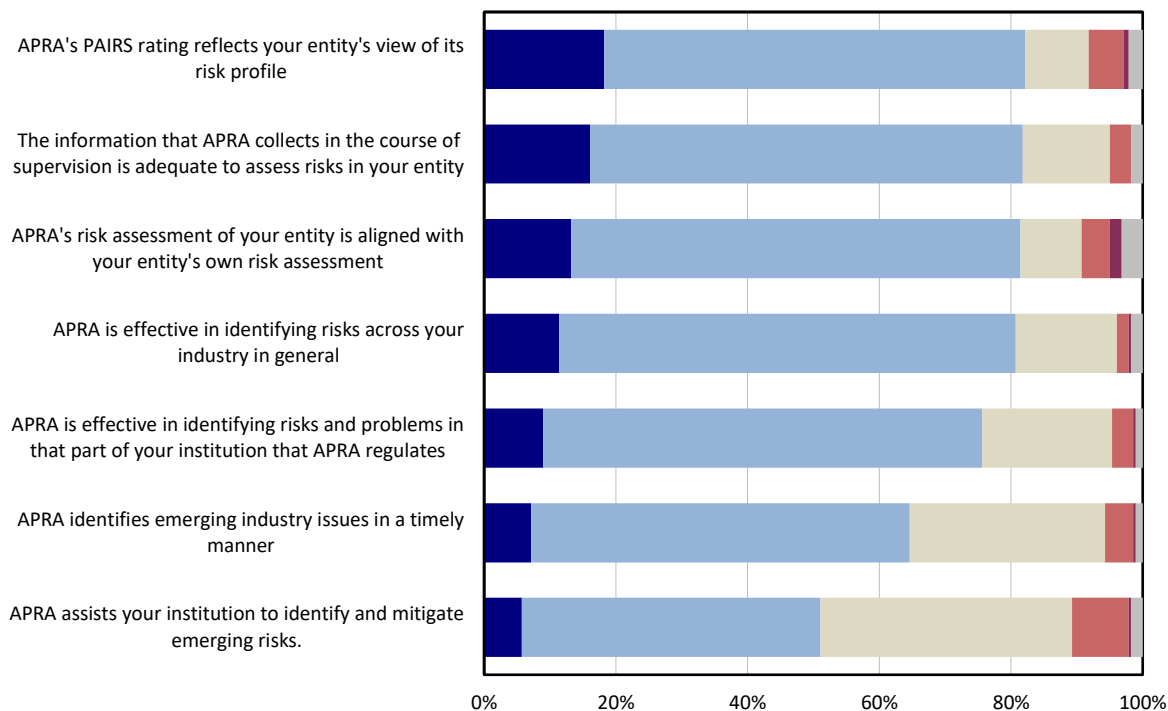


	APRA sufficiently considers issues relevant to industry and other stakeholders when developing its prudential standards and guidance material	APRA communicates clearly during consultation with industry about proposed changes to prudential standards and guidance materials	APRA provides sufficient opportunity for consultation with industry about proposed changes to prudential standards and guidance material	APRA's consultation packages are readily understood	APRA's consultation packages provide a good base for consultation with industry
Strongly agree	5%	11%	11%	11%	11%
Agree	60%	68%	69%	70%	71%
Neutral	23%	18%	16%	16%	15%
Disagree	8%	2%	2%	<1%	<1%
Strongly disagree	1%	0%	0%	<1%	<1%
Don't know	3%	1%	1%	1%	2%
Top 2 score	65%	79%	80%	81%	82%
Mean	3.6	3.9	3.9	3.9	3.9

q8d, q8c, q8b, q8e, q8a.

Risk assessments (n=279-280)

% of responding entities expressing specific response

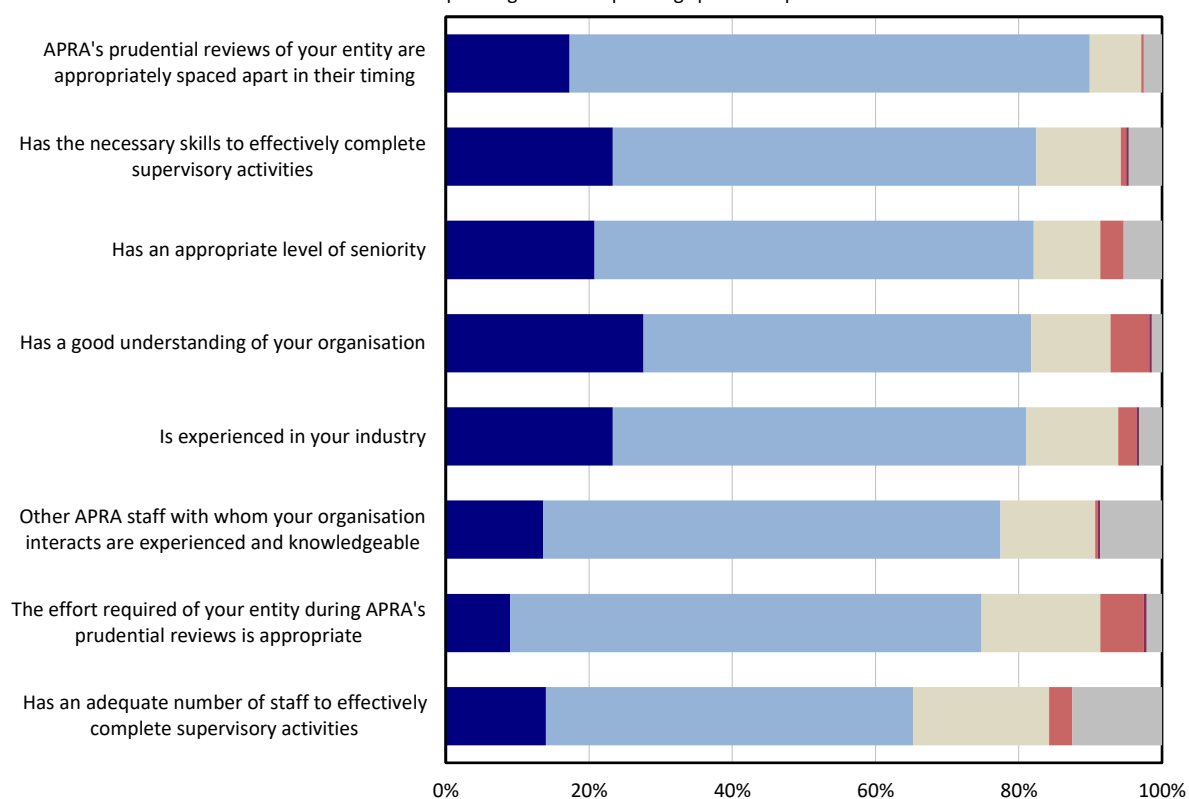


	APRA assists your institution to identify and mitigate emerging risks.	APRA identifies emerging industry issues in a timely manner	APRA is effective in identifying risks and problems in that part of your institution that APRA regulates	APRA is effective in identifying risks across your industry in general	APRA's risk assessment of your entity is aligned with your entity's own risk assessment	The information that APRA collects in the course of supervision is adequate to assess risks in your entity	APRA's PAIRS rating reflects your entity's view of its risk profile
Strongly agree	6%	7%	9%	11%	13%	16%	18%
Agree	45%	58%	67%	69%	68%	66%	64%
Neutral	38%	30%	20%	15%	9%	13%	10%
Disagree	9%	4%	3%	2%	4%	3%	5%
Strongly disagree	<1%	<1%	<1%	<1%	2%	0%	<1%
Don't know	2%	1%	1%	2%	3%	2%	2%
Top 2 score	51%	65%	76%	81%	81%	82%	82%
Mean	3.5	3.7	3.8	3.9	3.9	4.0	4.0

q10b, q10c, q10a, q10e, q10d, q10f, q10g.

Dealings with APRA (n=278-279)

% of responding entities expressing specific response

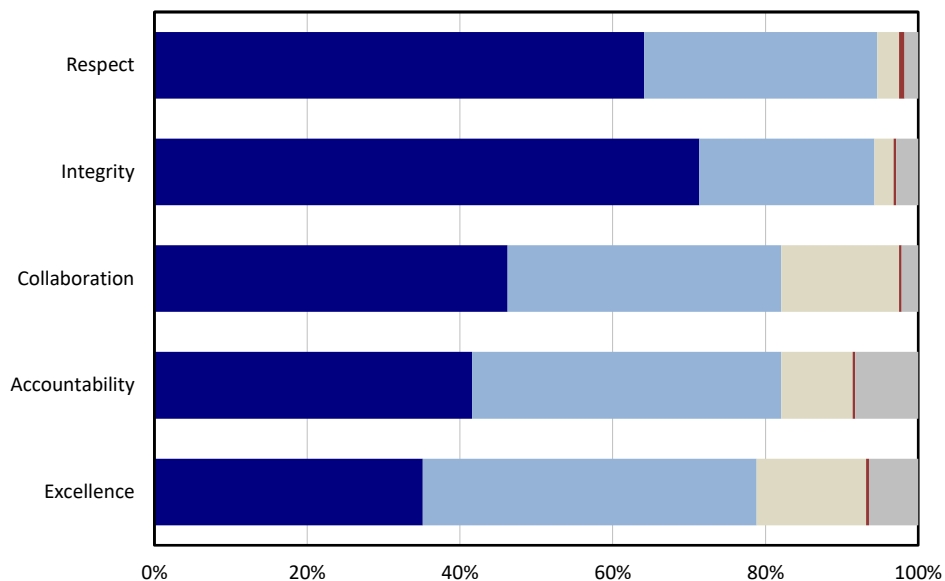


	Has an adequate number of staff to effectively complete supervisory activities	The effort required of your entity during APRA's prudential reviews is appropriate	Other APRA staff with whom your organisation interacts are experienced and knowledgeable	Is experienced in your industry	Has a good understanding of your organisation	Has an appropriate level of seniority	Has the necessary skills to effectively complete supervisory activities	APRA's prudential reviews of your entity are appropriately spaced apart in their timing
■ Strongly agree	14%	9%	14%	23%	28%	21%	23%	17%
■ Agree	51%	66%	64%	58%	54%	61%	59%	73%
■ Neutral	19%	17%	13%	13%	11%	9%	12%	7%
■ Disagree	3%	6%	<1%	3%	5%	3%	<1%	<1%
■ Strongly disagree	0%	<1%	<1%	<1%	<1%	0%	<1%	0%
■ Don't know	13%	2%	9%	3%	1%	5%	5%	3%
Top 2 score	65%	75%	77%	81%	82%	82%	82%	90%
Mean	3.9	3.8	4.0	4.0	4.0	4.1	4.1	4.1

q13b, q12d, q12c, q12a, q12b, q13a, q13c, q12e.

To what extent do APRA staff demonstrate values? (n=279)

% of responding entities expressing specific response

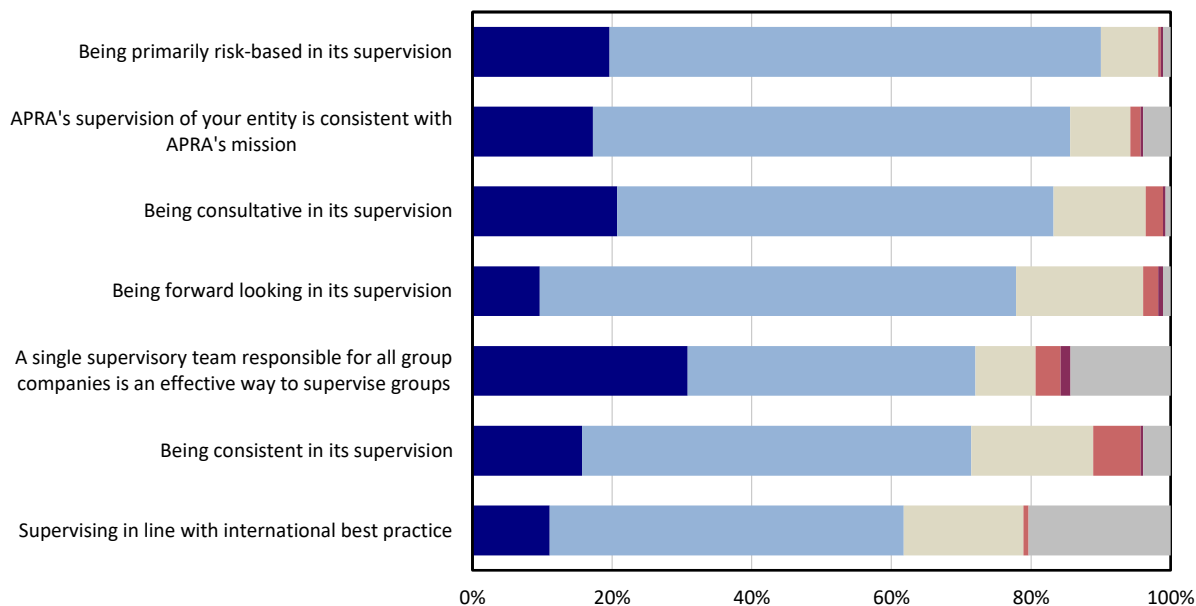


	Excellence	Accountability	Collaboration	Integrity	Respect
Always demonstrate	35%	42%	46%	71%	64%
Demonstrate to a significant extent	44%	41%	36%	23%	30%
Demonstrate to some extent	14%	9%	15%	3%	3%
Never demonstrate	<1%	<1%	<1%	<1%	<1%
Don't know	6%	8%	2%	3%	2%
Top 2 score	79%	82%	82%	94%	95%
Mean	3.2	3.3	3.3	3.7	3.6

q14c, q14a, q14b, q14e, q14d.

Supervisory activities (A) (n=278-280)

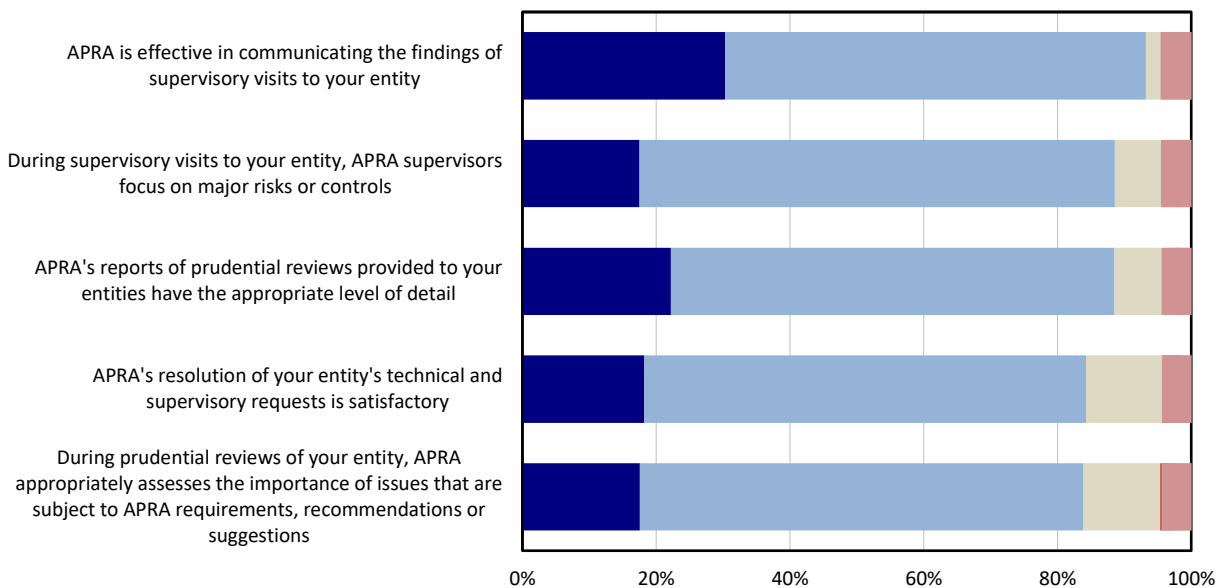
% of responding entities expressing specific response



	Supervising in line with international best practice	Being consistent in its supervision	A single supervisory team responsible for all group companies is an effective way to supervise groups	Being forward looking in its supervision	Being consultative in its supervision	APRA's supervision of your entity is consistent with APRA's mission	Being primarily risk-based in its supervision
Strongly agree	11%	16%	31%	10%	21%	17%	20%
Agree	51%	56%	41%	68%	63%	68%	70%
Neutral	17%	18%	9%	18%	13%	9%	8%
Disagree	<1%	7%	4%	2%	3%	1%	<1%
Strongly disagree	0%	<1%	1%	<1%	<1%	<1%	<1%
Don't know	20%	4%	14%	1%	<1%	4%	1%
Top 2 score	62%	71%	72%	78%	83%	86%	90%
Mean	3.9	3.8	4.1	3.8	4.0	4.0	4.1

q15b, q15f, q15c, q15a, q15g, q15d, q15e.

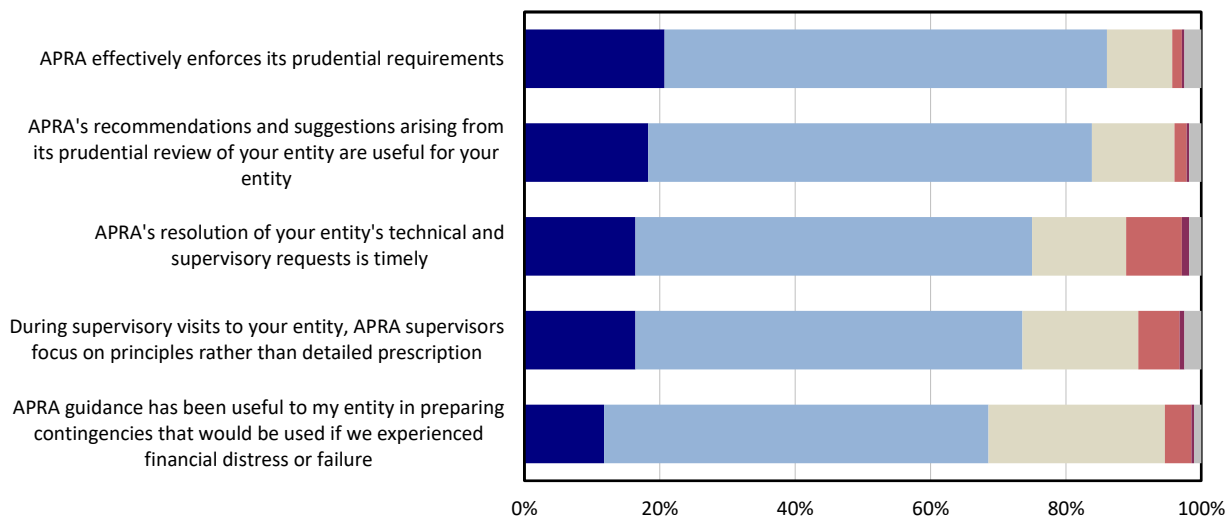
Supervisory activities (B) (n=279-280)
 % of responding entities expressing specific response



	During prudential reviews of your entity, APRA appropriately assesses the importance of issues that are subject to APRA requirements, recommendations or suggestions	APRA's resolution of your entity's technical and supervisory requests is satisfactory	APRA's reports of prudential reviews provided to your entities have the appropriate level of detail	During supervisory visits to your entity, APRA supervisors focus on major risks or controls	APRA is effective in communicating the findings of supervisory visits to your entity
Strongly agree	18%	18%	22%	18%	30%
Agree	66%	66%	66%	71%	63%
Neutral	11%	11%	9%	8%	4%
Disagree	2%	3%	<1%	2%	<1%
Strongly disagree	0%	<1%	<1%	0%	0%
Don't know	3%	1%	2%	2%	3%
Top 2 score	84%	84%	89%	89%	93%
Mean	4.0	4.0	4.1	4.1	4.3

q16d, q16b, q16f, q16g, q16c.

Supervisory activities (C) (n=280)
 % of responding entities expressing specific response

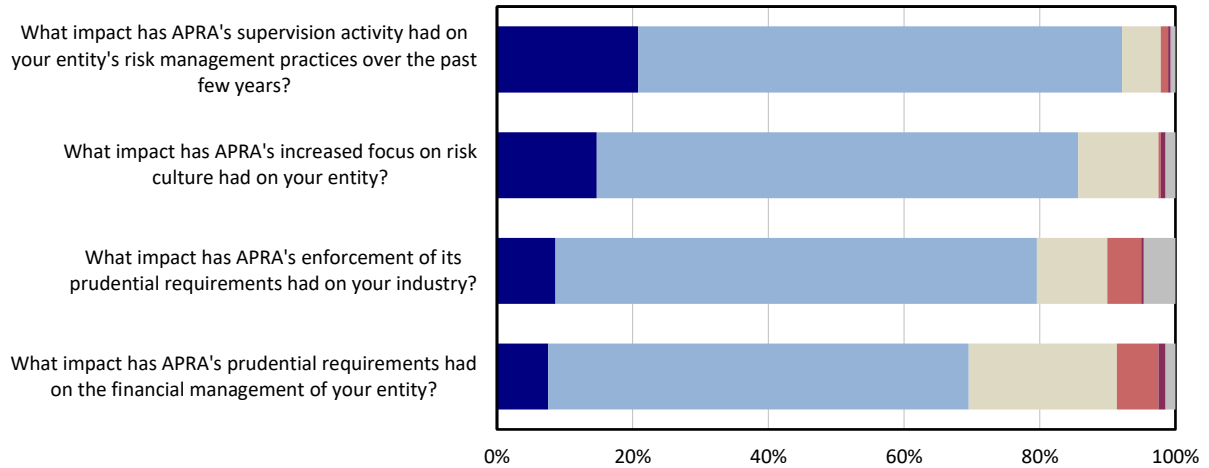


	APRA guidance has been useful to my entity in preparing contingencies that would be used if we experienced financial distress or failure	During supervisory visits to your entity, APRA supervisors focus on principles rather than detailed prescription	APRA's resolution of your entity's technical and supervisory requests is timely	APRA's recommendations and suggestions arising from its prudential review of your entity are useful for your entity	APRA effectively enforces its prudential requirements
Strongly agree	12%	16%	16%	18%	21%
Agree	57%	57%	59%	66%	65%
Neutral	26%	17%	14%	12%	10%
Disagree	4%	6%	8%	2%	1%
Strongly disagree	<1%	<1%	1%	<1%	<1%
Don't know	1%	3%	2%	2%	3%
Top 2 score	69%	74%	75%	84%	86%
Mean	3.8	3.8	3.8	4.0	4.1

q17a, q16e, q16h, q16a, q17b.

Impact of APRA (n=279)

% of responding entities expressing specific response



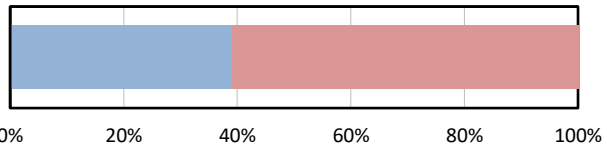
	What impact has APRA's prudential requirements had on the financial management of your entity?	What impact has APRA's enforcement of its prudential requirements had on your industry?	What impact has APRA's increased focus on risk culture had on your entity?	What impact has APRA's supervision activity had on your entity's risk management practices over the past few years?
Very positive impact	8%	9%	15%	21%
Positive impact	62%	71%	71%	71%
No impact	22%	10%	12%	6%
Negative impact	6%	5%	<1%	1%
Very negative impact	1%	<1%	<1%	<1%
Don't know	1%	5%	1%	<1%
Top 2 score	70%	80%	86%	92%
Mean	3.7	3.9	4.0	4.1

q19b, q19d, q19a, q19c.

Exemptions and variations (n=279)

% of responding entities expressing specific response

Have you requested an approval under, exemption from or variation to a prudential standard or reporting standard in the past 12 months?



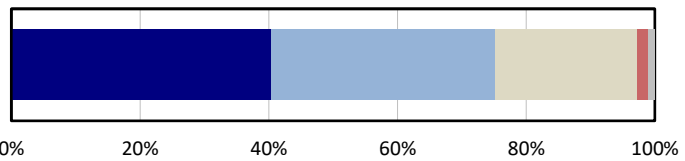
Have you requested an approval under, exemption from or variation to a prudential standard or reporting standard in the past 12 months?	
Yes	39%
No	61%

q21.

Exemptions and variations (n=109)

% of responding entities expressing specific response

Considering the process rather than the APRA decision, how did APRA handle your request for approval, variation or exemption?



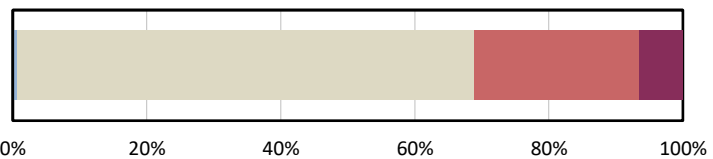
Considering the process rather than the APRA decision, how did APRA handle your request for approval, variation or exemption?	
Very well	40%
Well	35%
Neutral	22%
Poorly	2%
Very poorly	0%
Don't know	<1%
Top 2 score	75%
Mean	4.1

q22.

Data collections (n=279)

% of responding entities expressing specific response

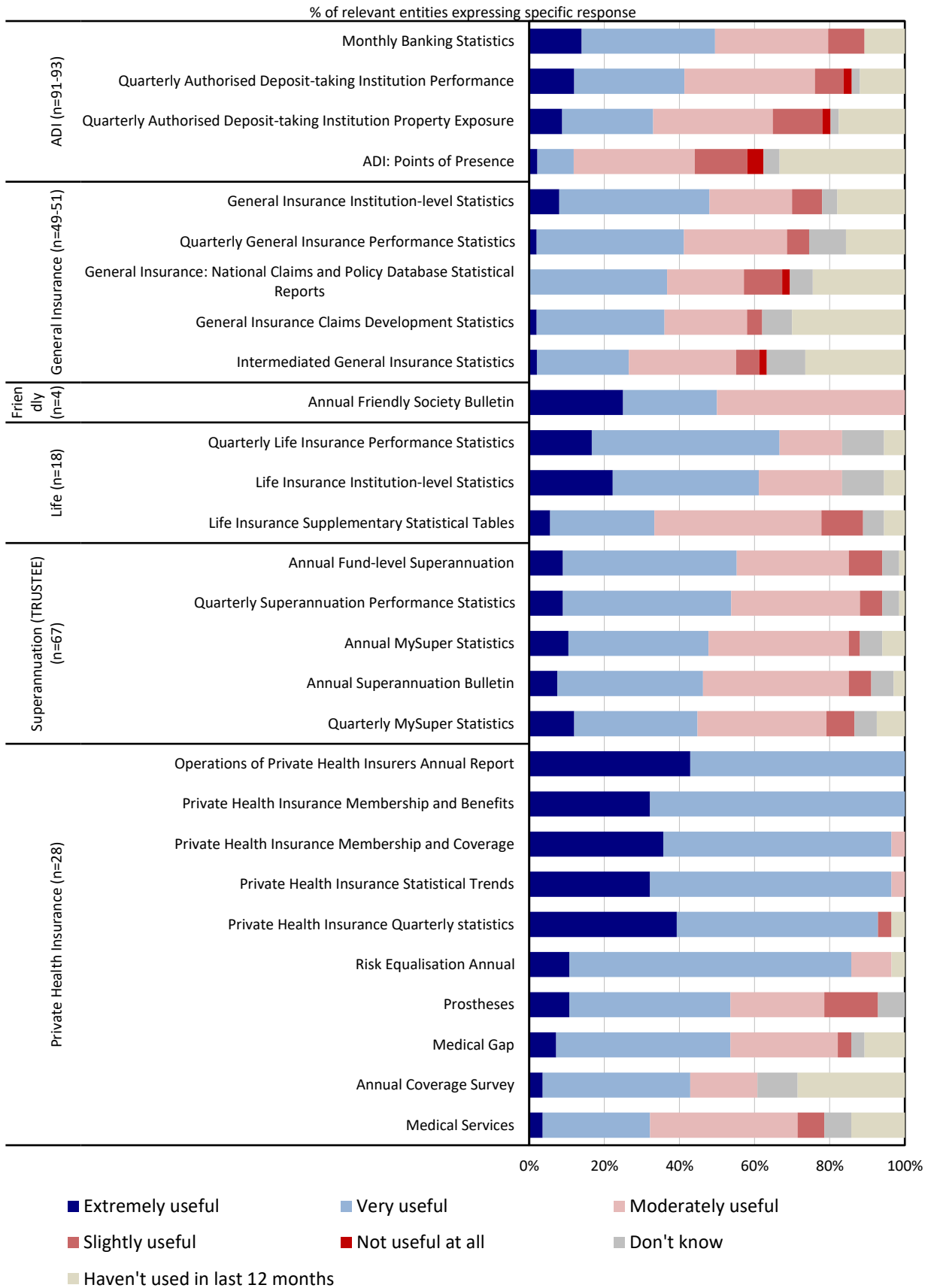
The amount of statistical data collected by APRA is..?



The amount of statistical data collected by APRA is..?	
Far too little	0%
Too little	<1%
About right	68%
Too much	25%
Far too much	6%

q23.

Statistical publications split by relevant industry

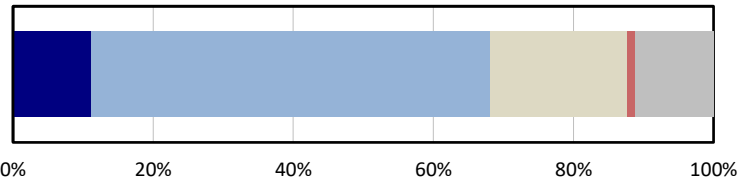


q24a-bb filtered only for respondents in relevant industry.

Reliability of APRA publications (only asked to respondents who used a publication in q24a-bb)(n=269)

% of responding entities expressing specific response

You mentioned that your entity has used the following APRA publications in the last 12 months: Overall, how reliable has the data/information in these publications been in the last 12 months?



You mentioned that your entity has used the following APRA publications in the last 12 months: Overall, how reliable has the data/information in these publications been in the last 12 months?	
Extremely reliable	11%
Very reliable	57%
Moderately reliable	20%
Slightly reliable	1%
Not reliable at all	0%
Don't know	11%
Top 2 score	68%
Mean	3.9

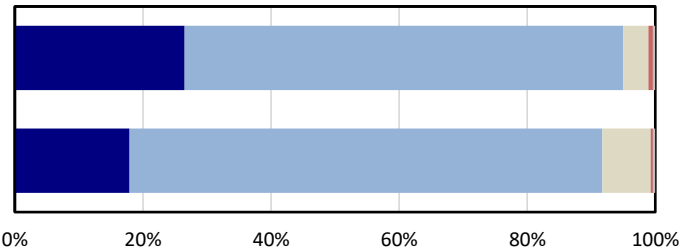
q25.

Communications (n=279)

% of responding entities expressing specific response

APRA's communications to my entity are clear and effective

APRA's public communications are clear and effective (e.g. speeches, media releases and website content)

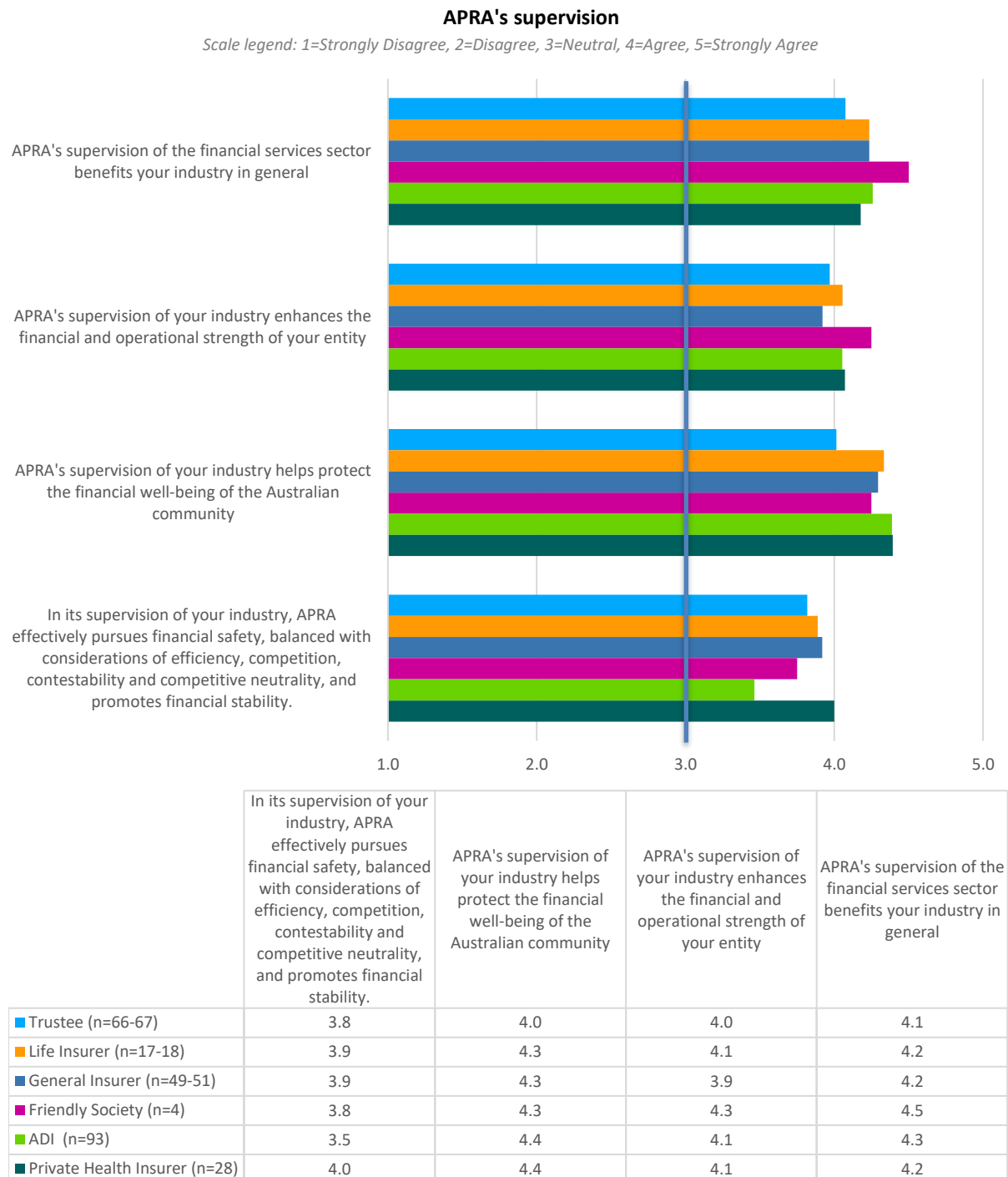


	APRA's public communications are clear and effective (e.g. speeches, media releases and website content)	APRA's communications to my entity are clear and effective
Strongly agree	18%	27%
Agree	74%	68%
Neutral	8%	4%
Disagree	<1%	<1%
Strongly disagree	0%	0%
Don't know	<1%	<1%
Top 2 score	92%	95%
Mean	4.1	4.2

q27b, q27a.

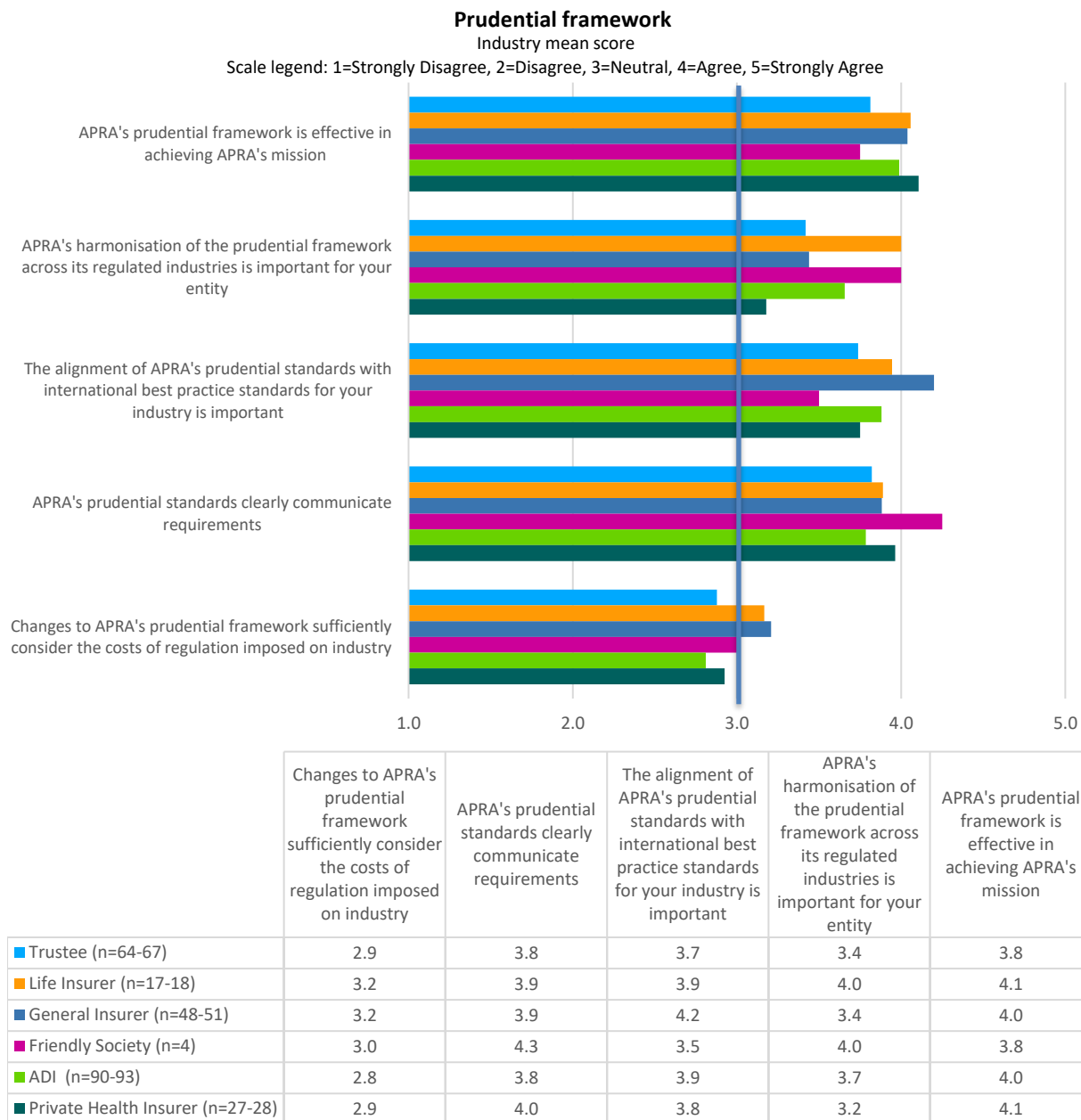
B. Regulated Entity means comparison charts by industry⁴

This section of the report shows the breakdown of RE results by industry types, comparing mean (average) scores for questions. Due to the small size of the Friendly Society subsample (n=4), results have only been shown for questions where all 4 Friendly Society respondents provided a response.



⁴ All 'don't know' response categories have been excluded from the calculation of means

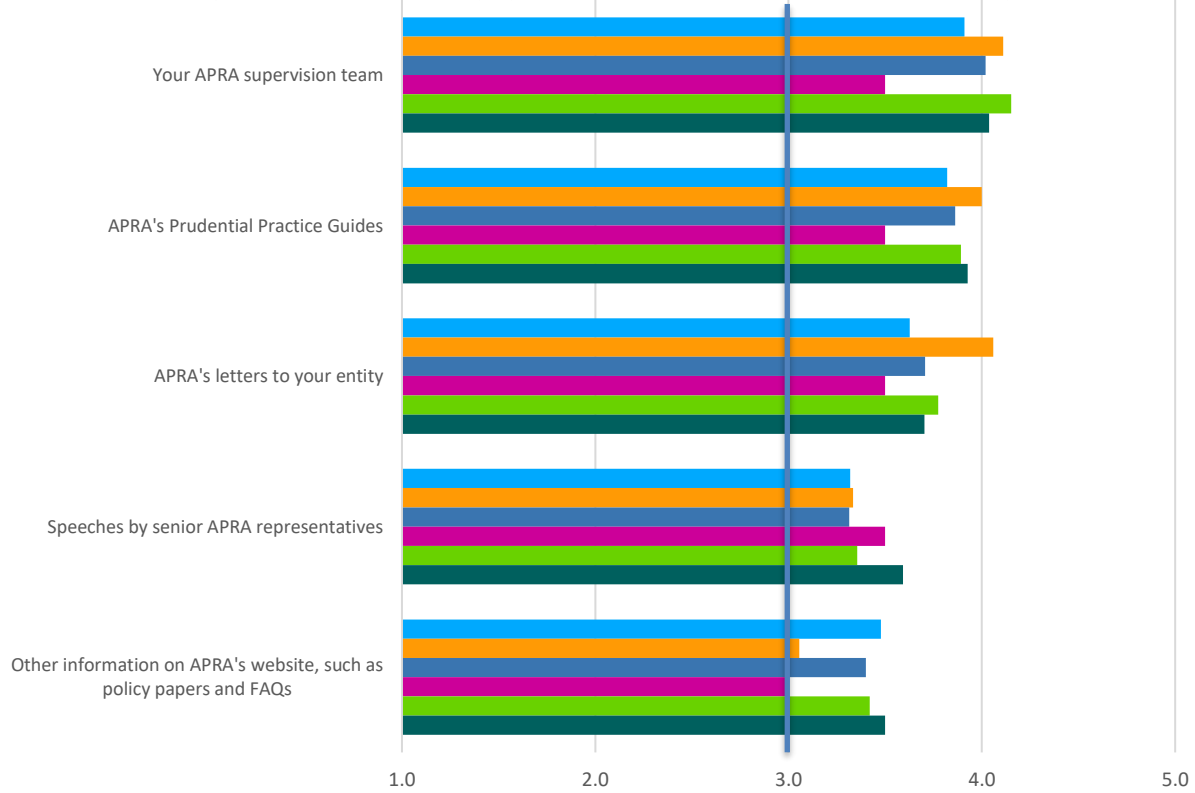
q1a, q1b, q1c, q1d.



q2a, q2b, q2c, q2d, q2e.

Usefulness of guidance from...
Industry mean score

Scale legend: 1=Not useful at all, 2=Slightly useful, 3=Moderately useful, 4=Very useful, 5=Extremely useful

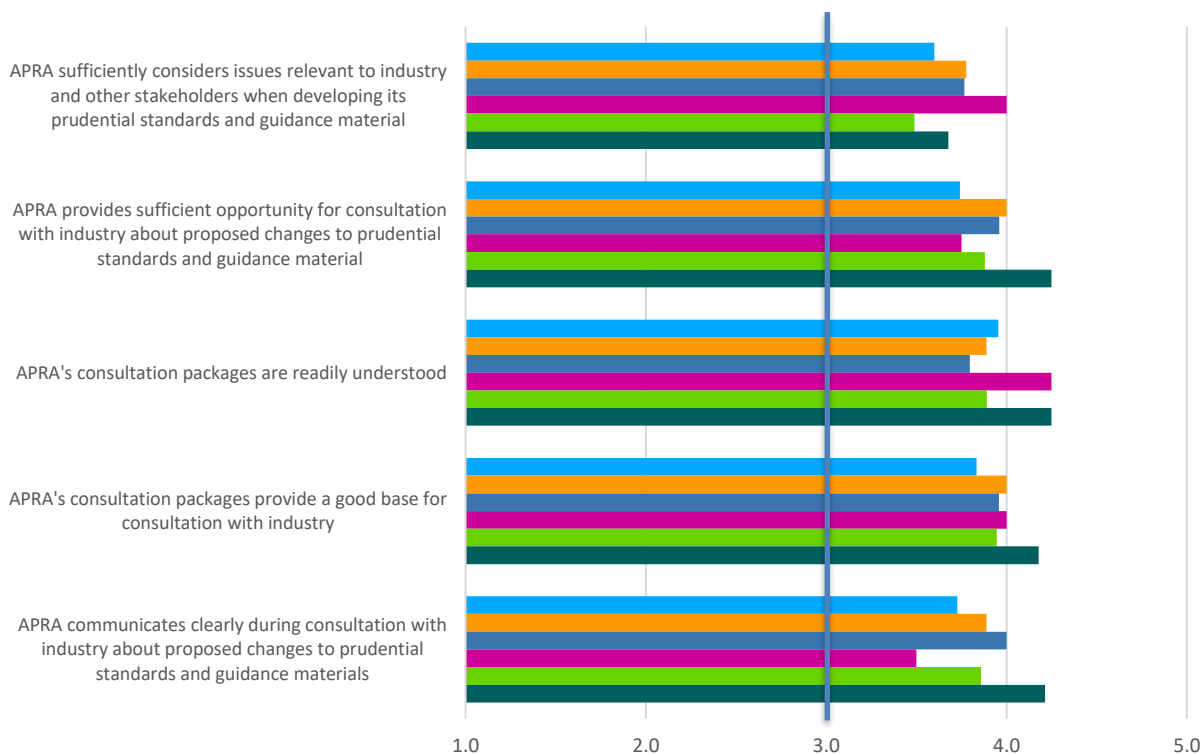


	Other information on APRA's website, such as policy papers and FAQs	Speeches by senior APRA representatives	APRA's letters to your entity	APRA's Prudential Practice Guides	Your APRA supervision team
Trustee (n=66-67)	3.5	3.3	3.6	3.8	3.9
Life Insurer (n=17-18)	3.1	3.3	4.1	4.0	4.1
General Insurer (n=50-51)	3.4	3.3	3.7	3.9	4.0
Friendly Society (n=4)	3.0	3.5	3.5	3.5	3.5
ADI (n=92-93)	3.4	3.4	3.8	3.9	4.2
Private Health Insurer (n=26-27)	3.5	3.6	3.7	3.9	4.0

q7a, q7b, q7c, q7d, q7e, q7f.

*Blank cells indicate sub-sample size was less than 10 (or less than 4 for Friendly Society).

Consultation process
Industry mean score



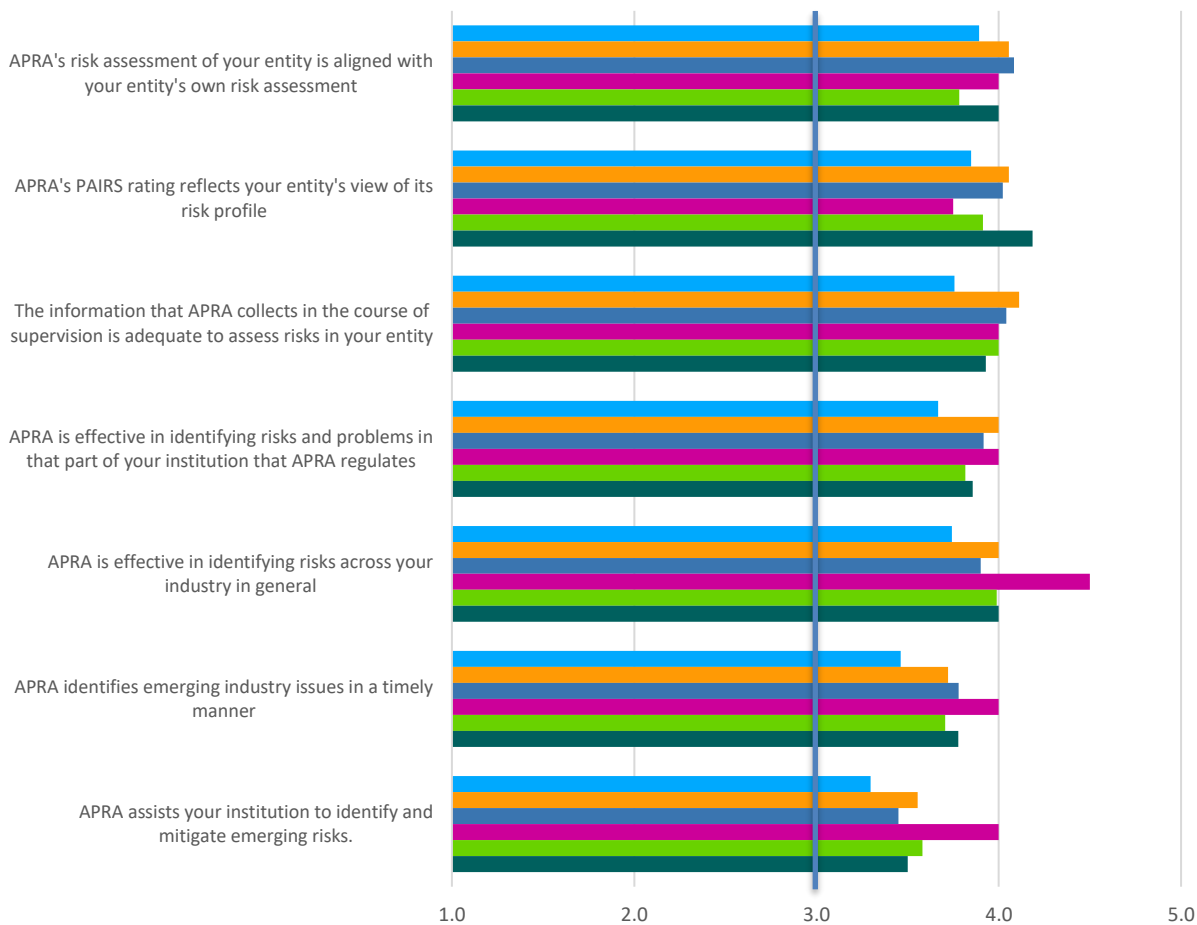
	APRA communicates clearly during consultation with industry about proposed changes to prudential standards and guidance materials	APRA's consultation packages provide a good base for consultation with industry	APRA's consultation packages are readily understood	APRA provides sufficient opportunity for consultation with industry about proposed changes to prudential standards and guidance material	APRA sufficiently considers issues relevant to industry and other stakeholders when developing its prudential standards and guidance material
Trustee (n=65-66)	3.7	3.8	4.0	3.7	3.6
Life Insurer (n=18)	3.9	4.0	3.9	4.0	3.8
General Insurer (n=47-49)	4.0	4.0	3.8	4.0	3.8
Friendly Society (n=4)	3.5	4.0	4.3	3.8	4.0
ADI (n=92)	3.9	3.9	3.9	3.9	3.5
Private Health Insurer (n=28)	4.2	4.2	4.3	4.3	3.7

q8a, q8b, q8c, q8d, q8e.

Risk assessments

Industry mean score

Scale legend: 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree



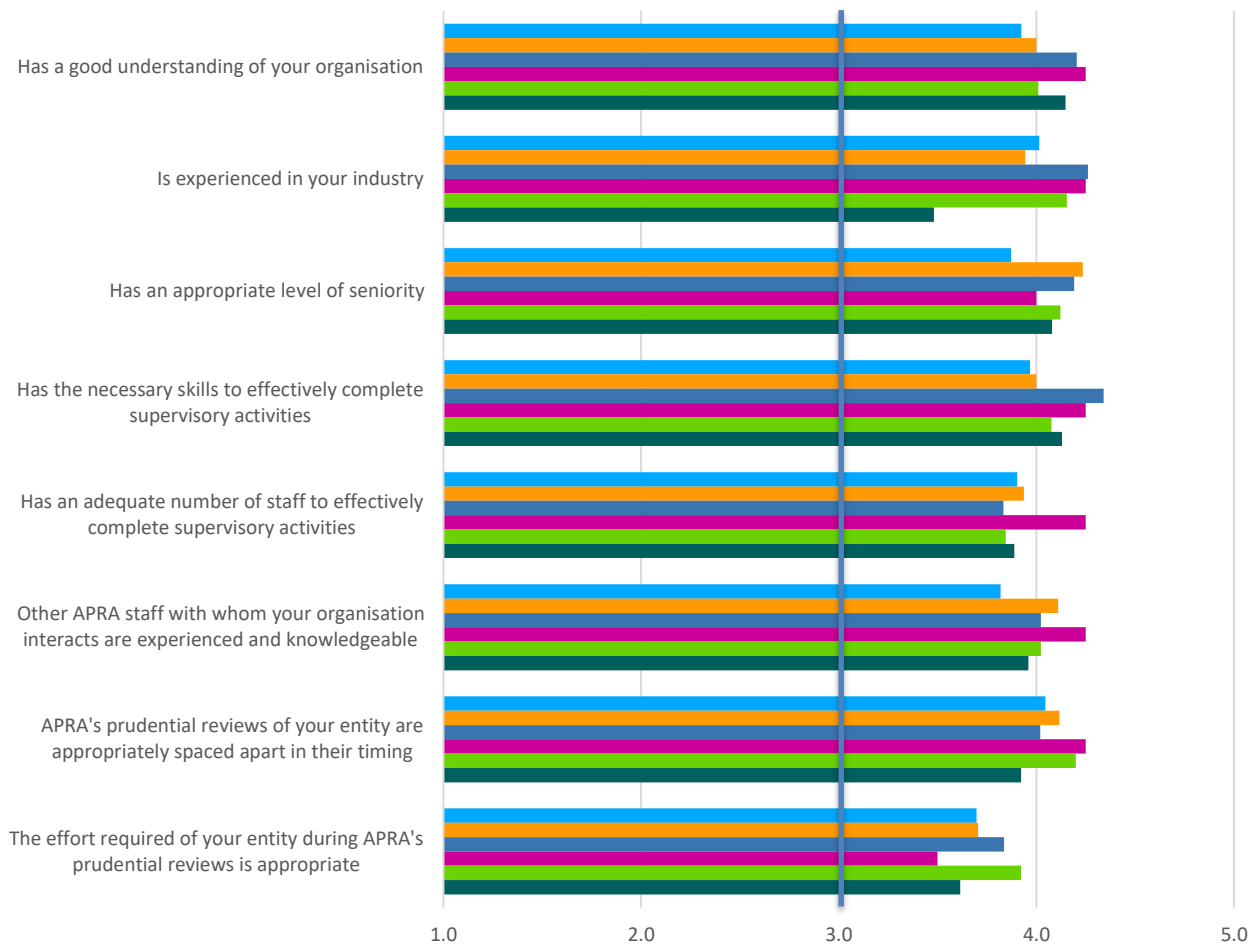
	APRA assists your institution to identify and mitigate emerging risks.	APRA identifies emerging industry issues in a timely manner	APRA is effective in identifying risks across your industry in general	APRA is effective in identifying risks and problems in that part of your institution that APRA regulates	The information that APRA collects in the course of supervision is adequate to assess risks in your entity	APRA's PAIRS rating reflects your entity's view of its risk profile	APRA's risk assessment of your entity is aligned with your entity's own risk assessment
Trustee (n=65-67)	3.3	3.5	3.7	3.7	3.8	3.8	3.9
Life Insurer (n=17-18)	3.6	3.7	4.0	4.0	4.1	4.1	4.1
General Insurer (n=47-50)	3.4	3.8	3.9	3.9	4.0	4.0	4.1
Friendly Society (n=4)	4.0	4.0	4.5	4.0	4.0	3.8	4.0
ADI (n=91-93)	3.6	3.7	4.0	3.8	4.0	3.9	3.8
Private Health Insurer (n=25-28)	3.5	3.8	4.0	3.9	3.9	4.2	4.0

q10a, q10b, q10c, q10d, q10e, q10f, q10g.

Dealings with APRA

Industry mean score

Scale legend: 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree



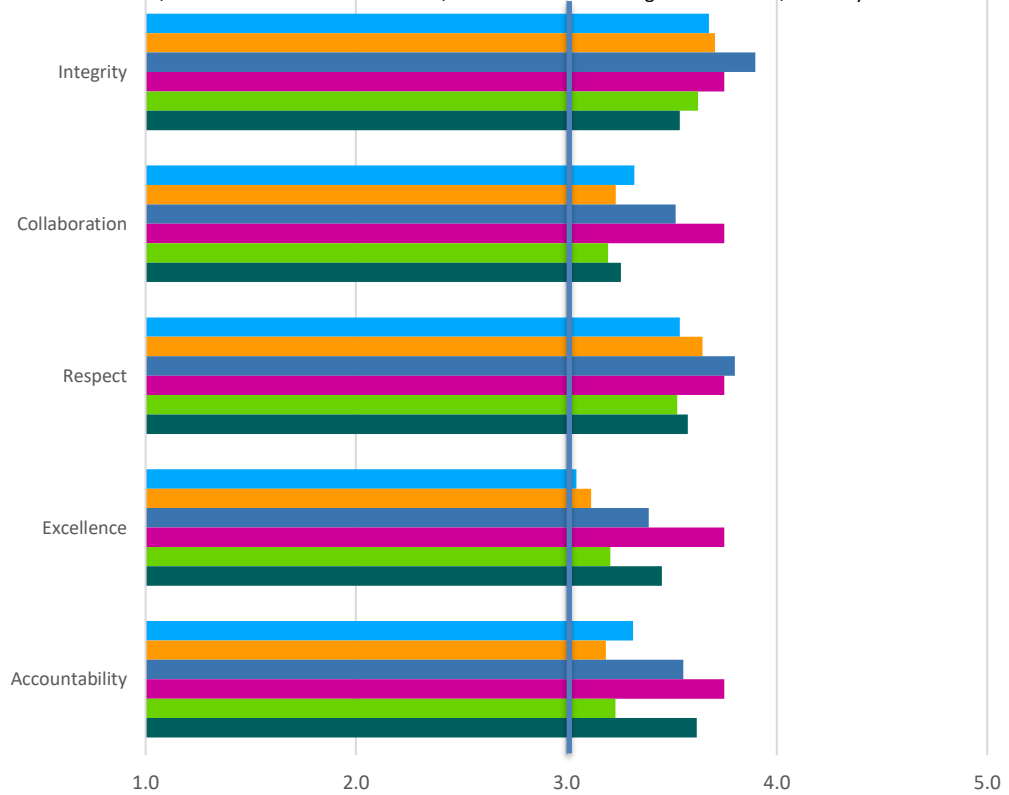
	The effort required of your entity during APRA's prudential reviews is appropriate	APRA's prudential reviews of your entity are appropriately spaced apart in their timing	Other APRA staff with whom your organisation interacts are experienced and knowledgeable	Has an adequate number of staff to effectively complete supervisory activities	Has the necessary skills to effectively complete supervisory activities	Has an appropriate level of seniority	Is experienced in your industry	Has a good understanding of your organisation
Trustee (n=61-66)	3.7	4.0	3.8	3.9	4.0	3.9	4.0	3.9
Life Insurer (n=16-18)	3.7	4.1	4.1	3.9	4.0	4.2	3.9	4.0
General Insurer (n=42-49)	3.8	4.0	4.0	3.8	4.3	4.2	4.3	4.2
Friendly Society (n=4)	3.5	4.3	4.3	4.3	4.3	4.0	4.3	4.3
ADI (n=84-92)	3.9	4.2	4.0	3.8	4.1	4.1	4.2	4.0
Private Health Insurer (n=18-27)	3.6	3.9	4.0	3.9	4.1	4.1	3.5	4.1

q12a, q12b, q12c, q12d, q12e, q13a, q13b, q13c.

Demonstration of APRA's values

Industry mean score

Scale legend: 1=Never demonstrate, 2=Demonstrate to some extent, 3=Demonstrate to a significant extent, 4=Always demonstrate

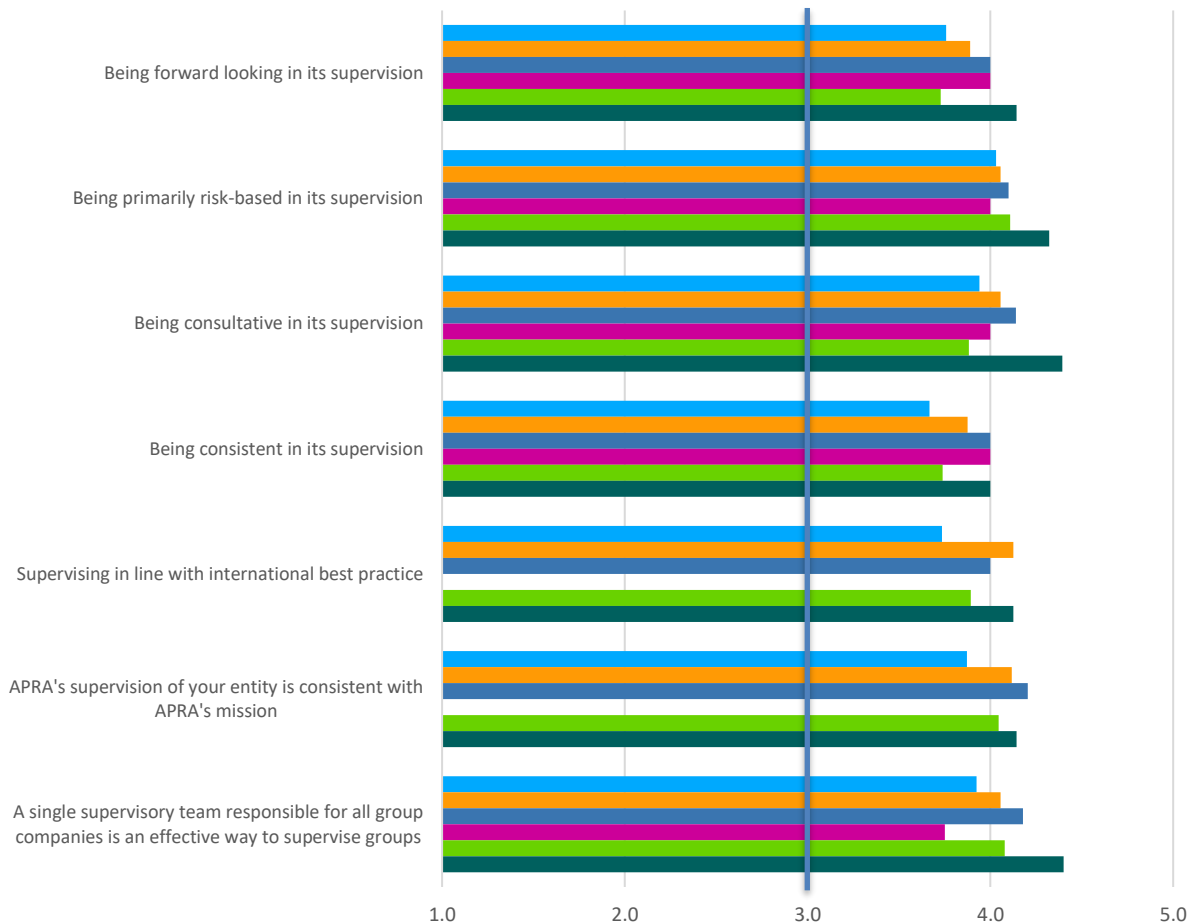


	Accountability	Excellence	Respect	Collaboration	Integrity
Trustee (n=63-65)	3.3	3.0	3.5	3.3	3.7
Life Insurer (n=16-17)	3.2	3.1	3.6	3.2	3.7
General Insurer (n=45-50)	3.6	3.4	3.8	3.5	3.9
Friendly Society (n=4)	3.8	3.8	3.8	3.8	3.8
ADI (n=90-93)	3.2	3.2	3.5	3.2	3.6
Private Health Insurer (n=21-27)	3.6	3.5	3.6	3.3	3.5

q14a, q14b, q14c, q14d, q14e.

Supervisory activities (A)

Industry mean score
Scale legend: 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree



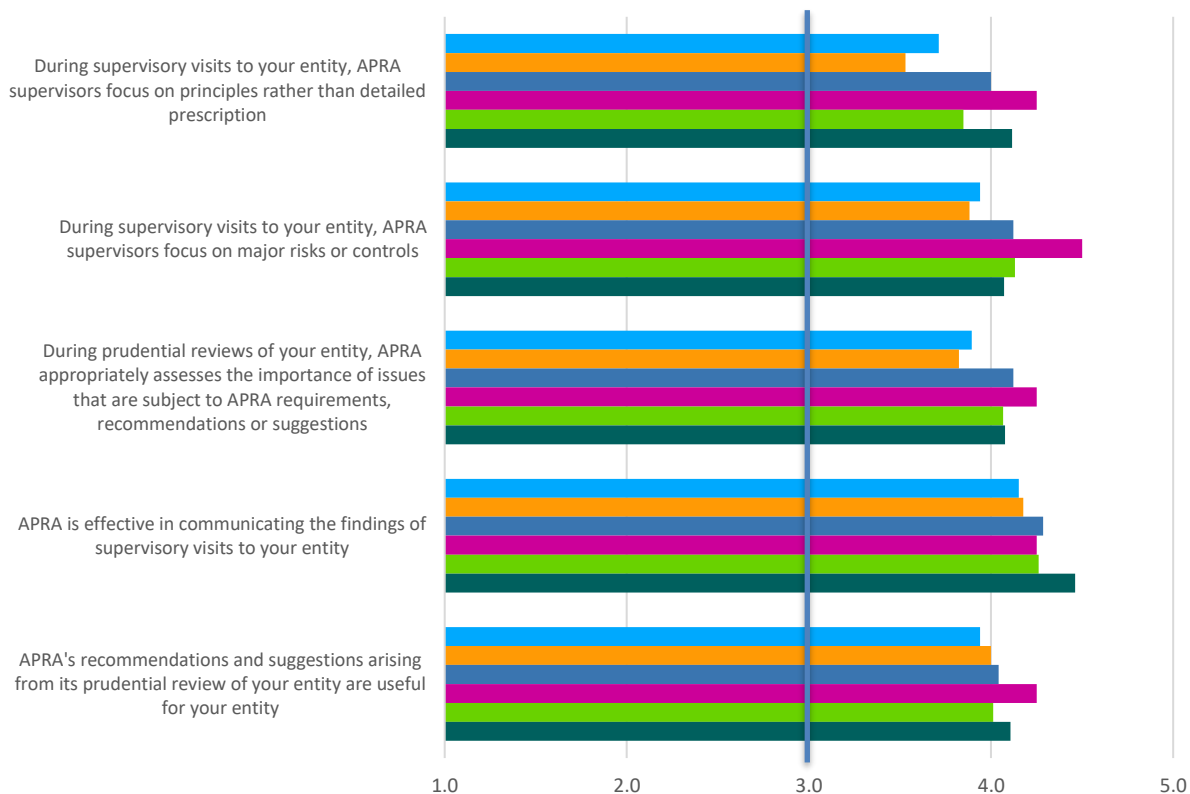
	A single supervisory team responsible for all group companies is an effective way to supervise groups	APRA's supervision of your entity is consistent with APRA's mission	Supervising in line with international best practice	Being consistent in its supervision	Being consultative in its supervision	Being primarily risk-based in its supervision	Being forward looking in its supervision
Trustee (n=49-66)	3.9	3.9	3.7	3.7	3.9	4.0	3.8
Life Insurer (n=16-18)	4.1	4.1	4.1	3.9	4.1	4.1	3.9
General Insurer (n=45-50)	4.2	4.2	4.0	4.0	4.1	4.1	4.0
Friendly Society (n=3-4)*	3.8			4.0	4.0	4.0	4.0
ADI (n=75-93)	4.1	4.0	3.9	3.7	3.9	4.1	3.7
Private Health Insurer (n=16-28)	4.4	4.1	4.1	4.0	4.4	4.3	4.1

q15a, q15b, q15c, q15d, q15e, q15f, q15g.

*Blank cells indicate sub-sample size was less than 10 (or less than 4 for Friendly Society).

Supervisory activities (B)

Industry mean score
 Scale legend: 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

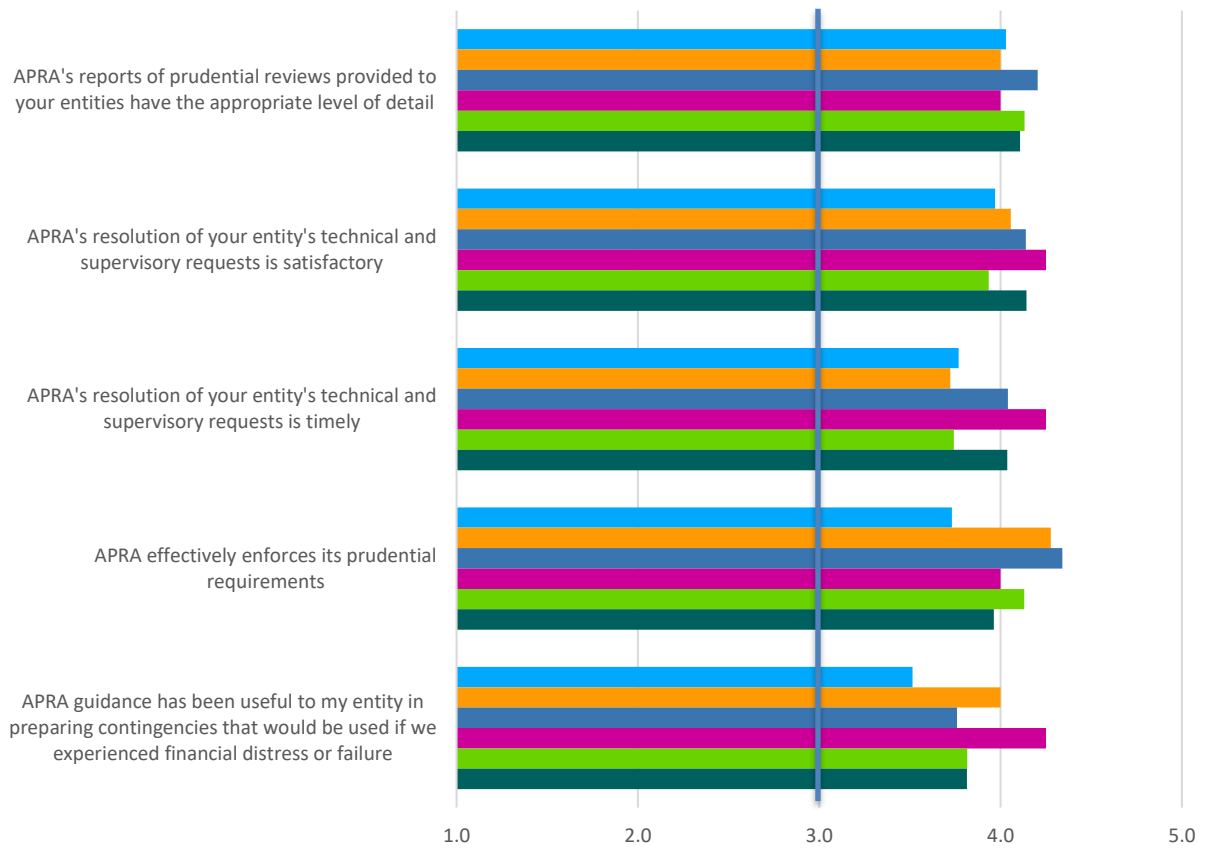


	APRA's recommendations and suggestions arising from its prudential review of your entity are useful for your entity	APRA is effective in communicating the findings of supervisory visits to your entity	During prudential reviews of your entity, APRA appropriately assesses the importance of issues that are subject to APRA requirements, recommendations or suggestions	During supervisory visits to your entity, APRA supervisors focus on major risks or controls	During supervisory visits to your entity, APRA supervisors focus on principles rather than detailed prescription
Trustee (n=66)	3.9	4.2	3.9	3.9	3.7
Life Insurer (n=17)	4.0	4.2	3.8	3.9	3.5
General Insurer (n=49)	4.0	4.3	4.1	4.1	4.0
Friendly Society (n=4)	4.3	4.3	4.3	4.5	4.3
ADI (n=91-92)	4.0	4.3	4.1	4.1	3.8
Private Health Insurer (n=26-28)	4.1	4.5	4.1	4.1	4.1

q16a, q16b, q16c, q16d, q16e.

Supervisory activities (C)

Industry mean score

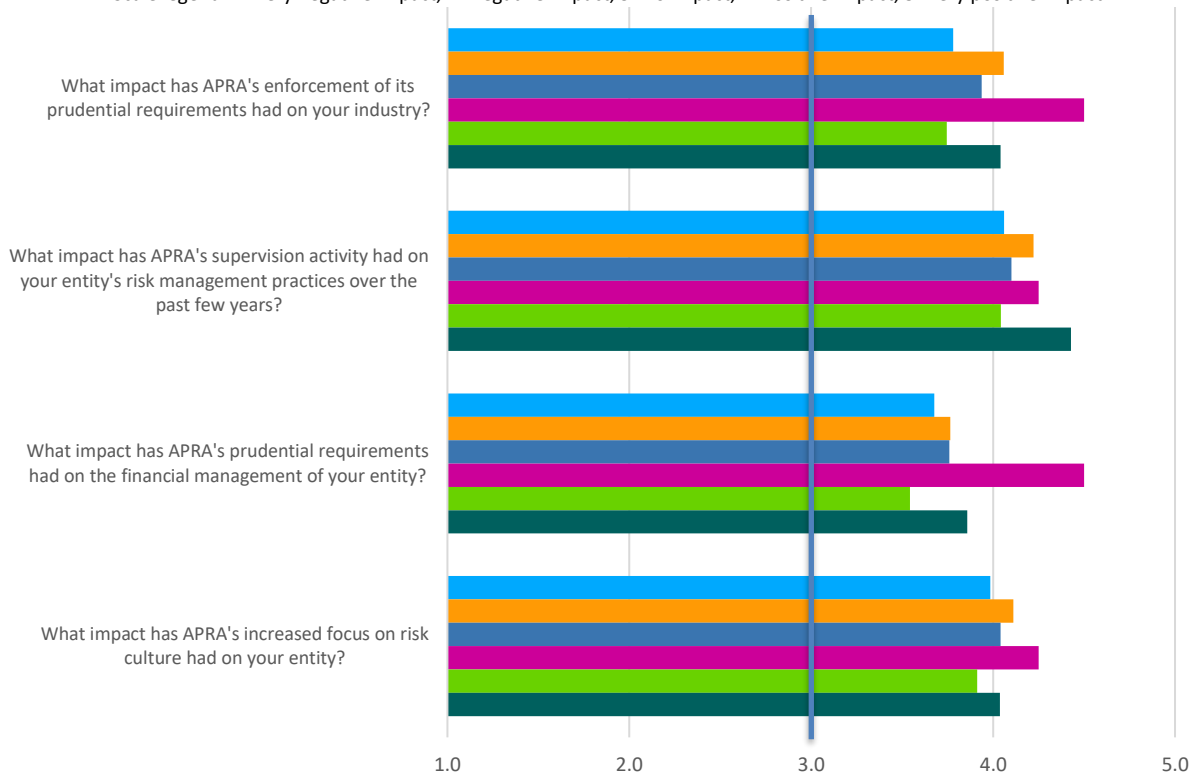


	APRA guidance has been useful to my entity in preparing contingencies that would be used if we experienced financial distress or failure	APRA effectively enforces its prudential requirements	APRA's resolution of your entity's technical and supervisory requests is timely	APRA's resolution of your entity's technical and supervisory requests is satisfactory	APRA's reports of prudential reviews provided to your entities have the appropriate level of detail
Trustee (n=65-67)	3.5	3.7	3.8	4.0	4.0
Life Insurer (n=17-18)	4.0	4.3	3.7	4.1	4.0
General Insurer (n=47-50)	3.8	4.3	4.0	4.1	4.2
Friendly Society (n=4)	4.3	4.0	4.3	4.3	4.0
ADI (n=91-93)	3.8	4.1	3.7	3.9	4.1
Private Health Insurer (n=27-28)	3.8	4.0	4.0	4.1	4.1

q16f, q16g, q16h. q17a, q17b.

APRA's impact
Industry mean score

Scale legend: 1=Very negative impact, 2=Negative impact, 3=No impact, 4=Positive impact, 5=Very positive impact

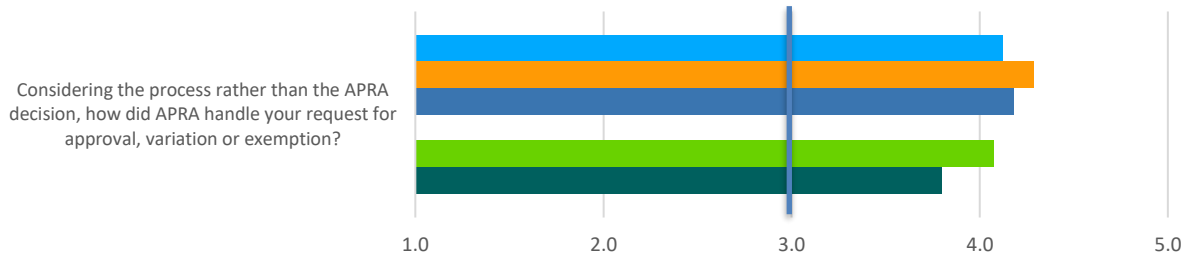


	What impact has APRA's increased focus on risk culture had on your entity?	What impact has APRA's prudential requirements had on the financial management of your entity?	What impact has APRA's supervision activity had on your entity's risk management practices over the past few years?	What impact has APRA's enforcement of its prudential requirements had on your industry?
Trustee (n=64-66)	4.0	3.7	4.1	3.8
Life Insurer (n=17-18)	4.1	3.8	4.2	4.1
General Insurer (n=48-50)	4.0	3.8	4.1	3.9
Friendly Society (n=4)	4.3	4.5	4.3	4.5
ADI (n=90-92)	3.9	3.5	4.0	3.7
Private Health Insurer (n=24-28)	4.0	3.9	4.4	4.0

q19a, q19b, q19c, q19d.

Exemptions and variations

Industry mean score
Scale legend: 1=Very poorly, 2=Poorly, 3=Neutral, 4=Well, 5=Very well



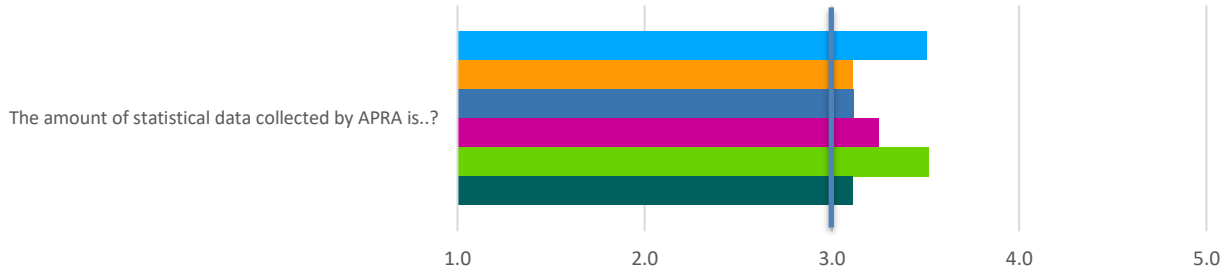
	Considering the process rather than the APRA decision, how did APRA handle your request for approval, variation or exemption?
Trustee (n=24)	4.1
Life Insurer (n=7)	4.3
General Insurer (n=22)	4.2
Friendly Society (n=0)*	
ADI (n=41)	4.1
Private Health Insurer (n=5)	3.8

q22.

*Blank cells indicate sub-sample size was less than 10 (or less than 4 for Friendly Society).

Data collections

Industry mean score
Scale legend: 1=Far too much, 2=Too much, 3=About right, 4=Too little, 5=Far too little

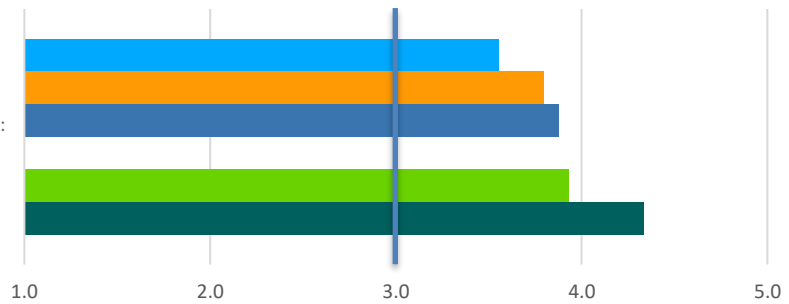


	The amount of statistical data collected by APRA is..?
Trustee (n=67)	3.5
Life Insurer (n=18)	3.1
General Insurer (n=51)	3.1
Friendly Society (n=4)	3.3
ADI (n=93)	3.5
Private Health Insurer (n=27)	3.1

q23.

Reliability
Industry mean score

You mentioned that your entity has used the following APRA publications in the last 12 months: Overall, how reliable has the data/information in these publications been in the last 12 months?



You mentioned that your entity has used the following APRA publications in the last 12 months: Overall, how reliable has the data/information in these publications been in the last 12 months?	
Trustee (n=61)	3.6
Life Insurer (n=15)	3.8
General Insurer (n=41)	3.9
Friendly Society (n=3)*	
ADI (n=75)	3.9
Private Health Insurer (n=27)	4.3

q25.

*Blank cells indicate sub-sample size was less than 10 (or less than 4 for Friendly Society).

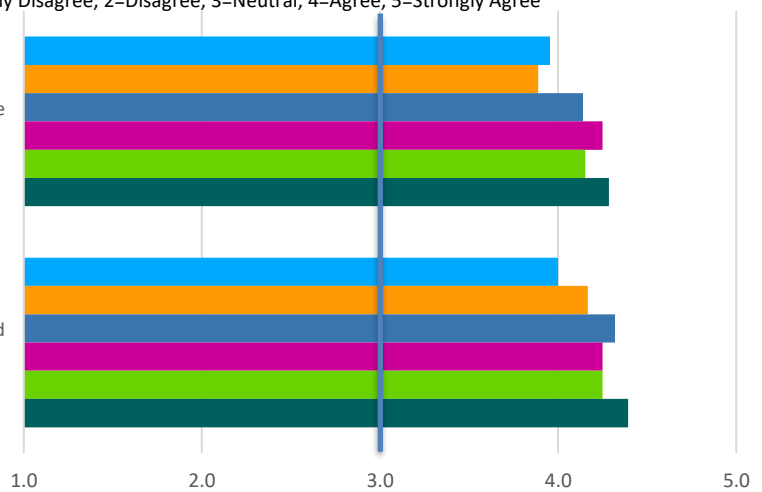
Communications

Industry mean score

Scale legend: 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

APRA's public communications are clear and effective (e.g. speeches, media releases and website content)

APRA's communications to my entity are clear and effective



	APRA's communications to my entity are clear and effective	APRA's public communications are clear and effective (e.g. speeches, media releases and website content)
Trustee (n=67)	4.0	4.0
Life Insurer (n=18)	4.2	3.9
General Insurer (n=50)	4.3	4.1
Friendly Society (n=4)	4.3	4.3
ADI (n=92)	4.3	4.2
Private Health Insurer (n=28)	4.4	4.3

q27a, q27b.

C. Regulated Entity means comparison table by group^{^^}

Regulated entity means comparison between Group and Non-Group – Only statistically significant results shown		Group (n=20-111)	Non-group (n=19-169)	Difference
Supervisory activities				
q1a. APRA's supervision of the financial services sector benefits your industry in general		4.3	4.1	0.2
q1b. APRA's supervision of your industry enhances the financial and operational strength of your entity		4.1	4.0	0.2
q1c. APRA's supervision of your industry helps protect the financial well-being of the Australian community		4.4	4.2	0.1
Prudential framework				
q2a. APRA's prudential framework is effective in achieving APRA's mission		4.1	3.9	0.2
q2b. APRA's harmonisation of the prudential framework across its regulated industries is important for your entity		3.8	3.3	0.5
q2c. The alignment of APRA's prudential standards with international best practice standards for your industry is important		4.1	3.7	0.4
q2e. Changes to APRA's prudential framework sufficiently consider the costs of regulation imposed on industry		3.1	2.8	0.3
Usefulness of APRA guidance				
How useful is the guidance that your entity receives about the prudential framework from...*	q7c. APRA's letters to your entity	3.9	3.6	0.3
	q7d. Speeches by senior APRA representatives	3.6	3.2	0.4
Consultation processes				
q8a. APRA sufficiently considers issues relevant to industry and other stakeholders when developing its prudential standards and guidance material		3.8	3.5	0.3
Risk assessments				
q10c. The information that APRA collects in the course of supervision is adequate to assess risks in your entity		4.1	3.9	0.2
q10d. APRA is effective in identifying risks and problems in that part of your institution that APRA regulates		3.9	3.8	0.2
q10e. APRA is effective in identifying risks across your industry in general		4.0	3.8	0.2
Dealings with APRA				
The APRA supervisory team responsible for your organisation...	q12a. Has a good understanding of your organisation	4.2	4.0	0.2
	q13a. Other APRA staff with whom your organisation interacts are experienced and knowledgeable	4.1	3.9	0.2
To what extent do APRA staff demonstrate the APRA values?#	q14a. Integrity	3.9	3.6	0.3
	q14c. Respect	3.7	3.5	0.2
	q15a. Being forward looking in its supervision	4.0	3.8	0.2
APRA meets its stated approach of...	q15c. Being consultative in its supervision	4.1	3.9	0.2
	q15d. Being consistent in its supervision	4.0	3.7	0.3
q15e. Supervising in line with international best practice		4.0	3.8	0.2

Regulated entity means comparison between Group and Non-Group – Only statistically significant results shown		Group (n=20-111)	Non-group (n=19-169)	Difference
q15g. A single supervisory team responsible for all group companies is an effective way to supervise groups		4.3	4.0	0.2
q17a. APRA effectively enforces its prudential requirements		4.3	3.9	0.4
q17b. APRA guidance has been useful to my entity in preparing contingencies that would be used if we experienced financial distress or failure		3.9	3.7	0.2
q19a. What impact has APRA's enforcement of its prudential requirements had on your industry?^		4.0	3.7	0.3
q19b. What impact has APRA's supervision activity had on your entity's risk management practices over the past few years?^		4.2	4.0	0.2
q19c. What impact has APRA's prudential requirements had on the financial management of your entity?^		3.9	3.6	0.3
q19d. What impact has APRA's increased focus on risk culture had on your entity?^		4.1	3.9	0.2
Data collections				
q23. The amount of statistical data collected by APRA is..?~		3.3	3.4	-0.1
Usefulness and reliability of statistical publications				
How useful have each of the following statistical publications been for your entity in the last 12 months?*	q24a. ADI: Points of Presence	2.3	2.8	-0.4
	q24h. General Insurance Claims Development Statistics	3.1	2.4	0.7
	q24l. Life Insurance Institution-level Statistics	3.3	2.3	1.0
	q24aa. Operations of Private Health Insurers Annual Report	2.4	3.2	-0.8

All means shown on this table had a statistically significant difference ($p < 0.05$)

^^ Group REs were those identified by APRA as a "group".

Scale legend:

* 1=Not useful at all, 2=Slightly useful, 3=Moderately useful, 4=Very useful, 5=Extremely useful

~ 1=Far too little, 2=Too little, 3=About right, 4=Too much, 5=Far too much

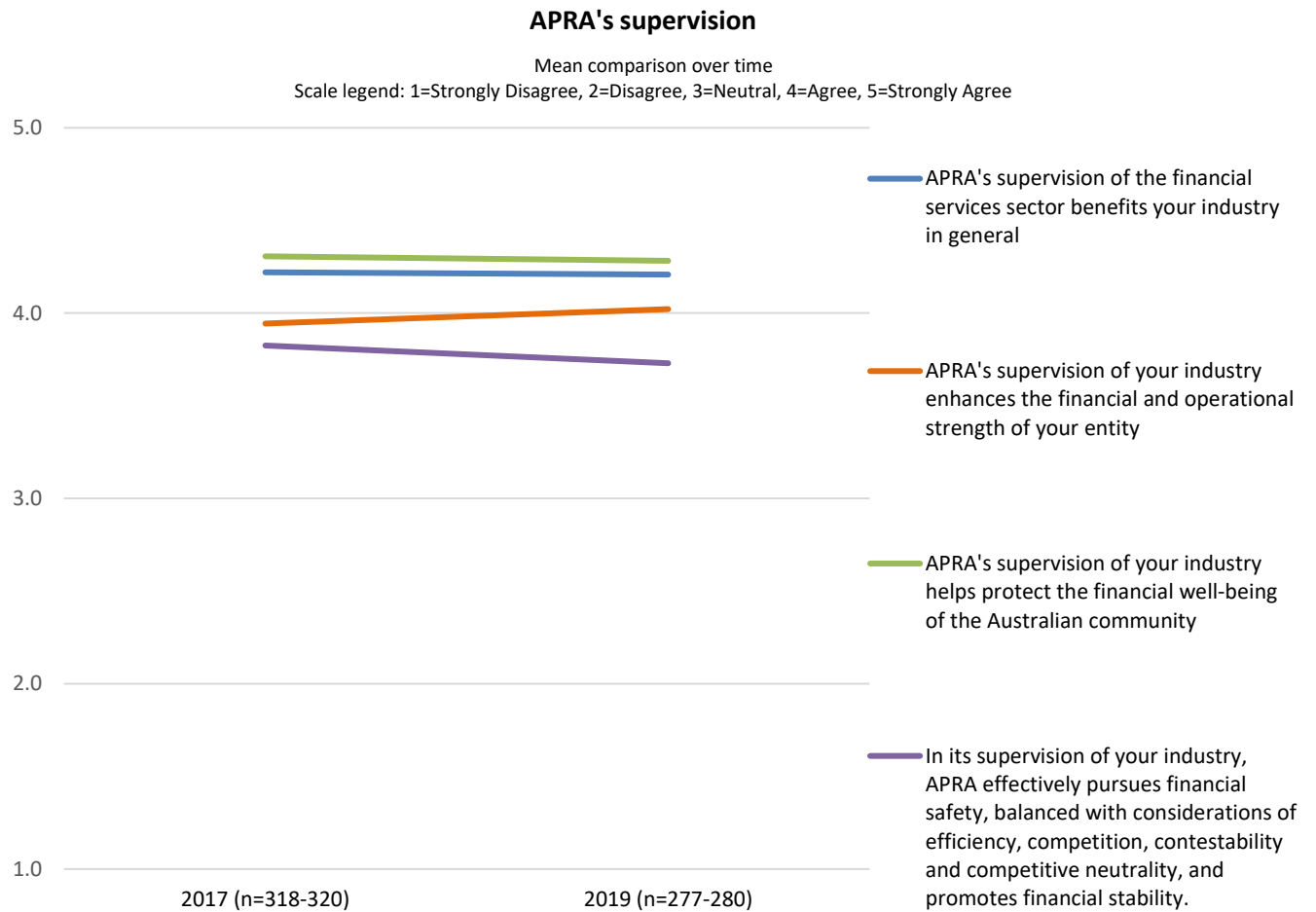
^ 1=Very negative impact, 2=Negative impact, 3=No impact, 4=Positive impact, 5=Very positive impact

1 = Never demonstrate, 2=Demonstrate to some extent, 3=Demonstrate to a significant extent, 4=Always demonstrate

All others: 1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly agree

D. Regulated Entity year trends

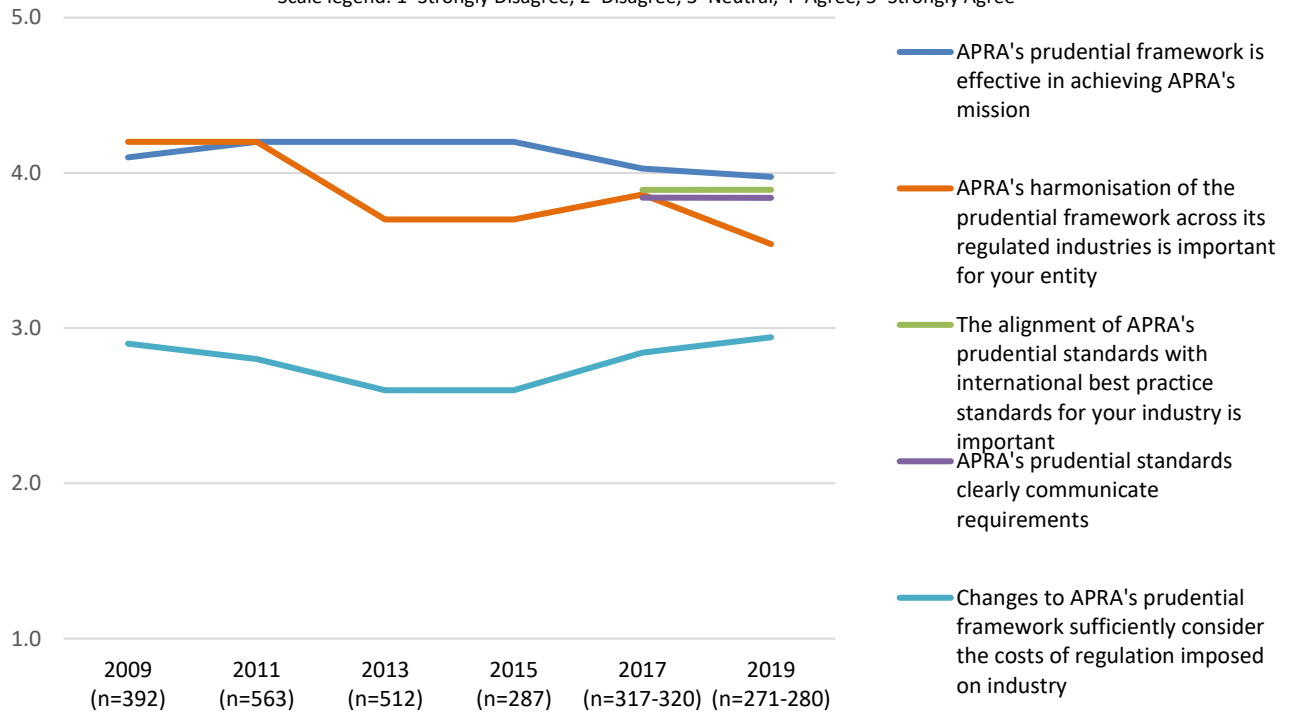
This section of the report shows the Regulated Entity (RE) results for 2019 compared to the track of previous survey results. The charts track the mean (average) scores on individual questions for any previous years in which the same questions were asked.



Prudential framework*

Mean comparison over time

Scale legend: 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree



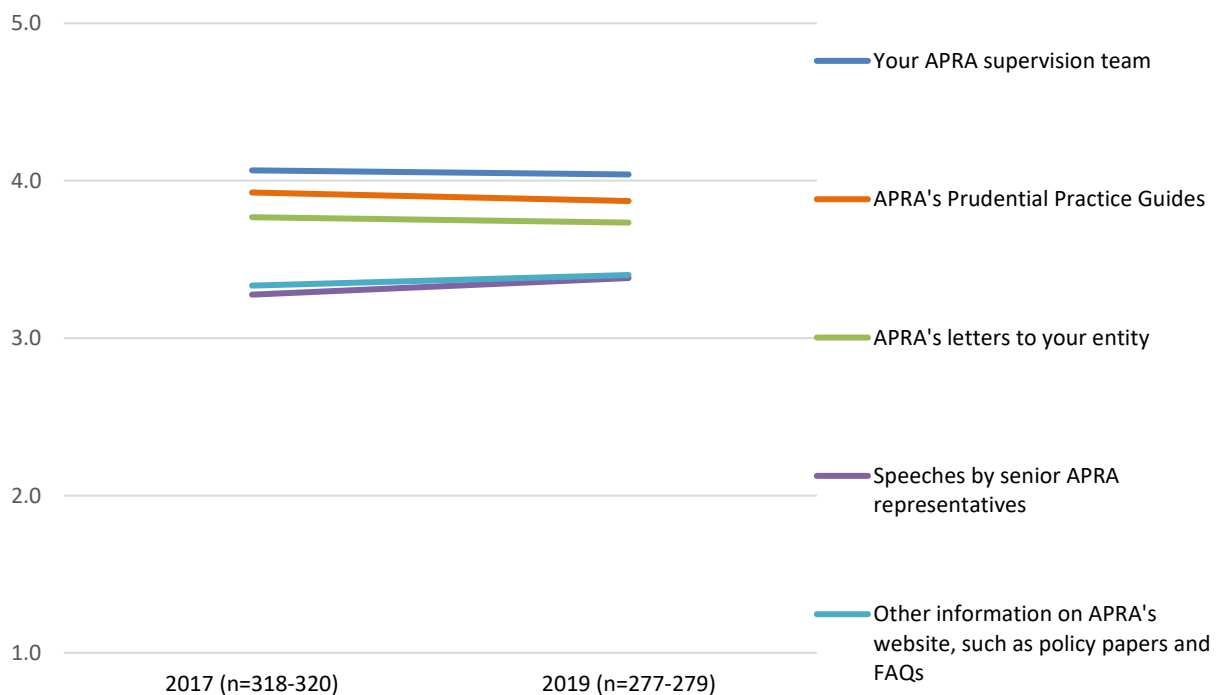
q2a, q2b, q2c, q2d, q2e

*q2a, q2b. Only asked of group institutions in 2015

Usefulness of APRA guidance

Mean comparison over time

Scale legend: 1=Not useful at all, 2=Slightly useful, 3=Moderately useful, 4=Very useful, 5=Extremely useful

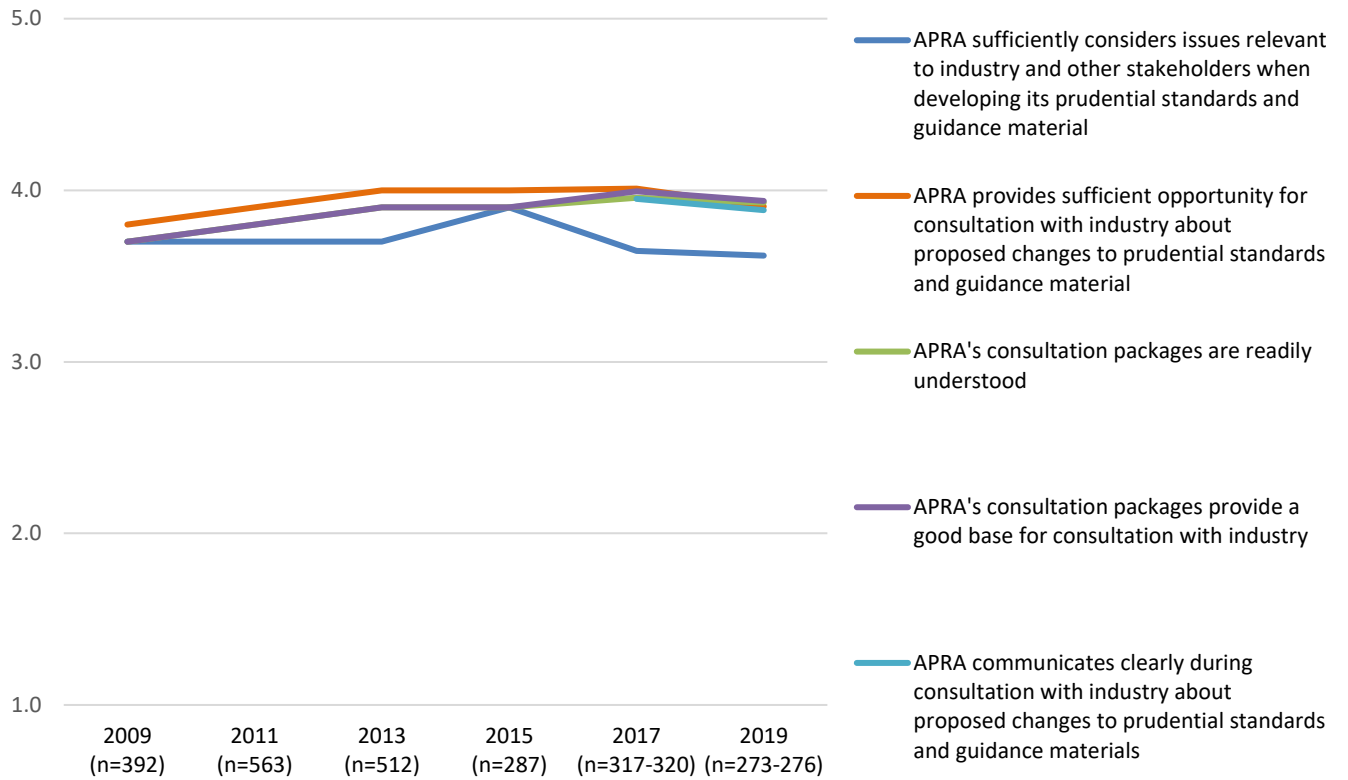


q7a, q7b, q7c, q7d, q7e

Consultation processes

Mean comparison over time

Scale legend: 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

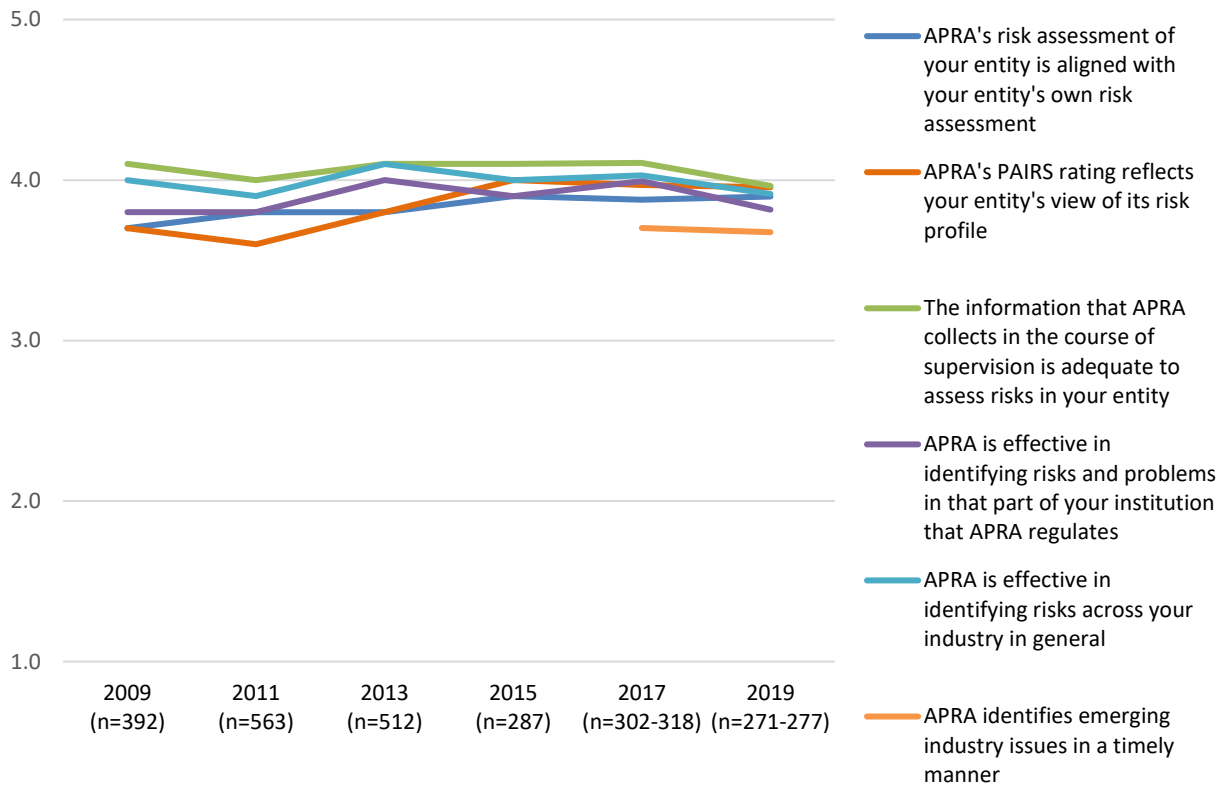


q8a, q8b, q8c, q8d, q8e

Risk assessments

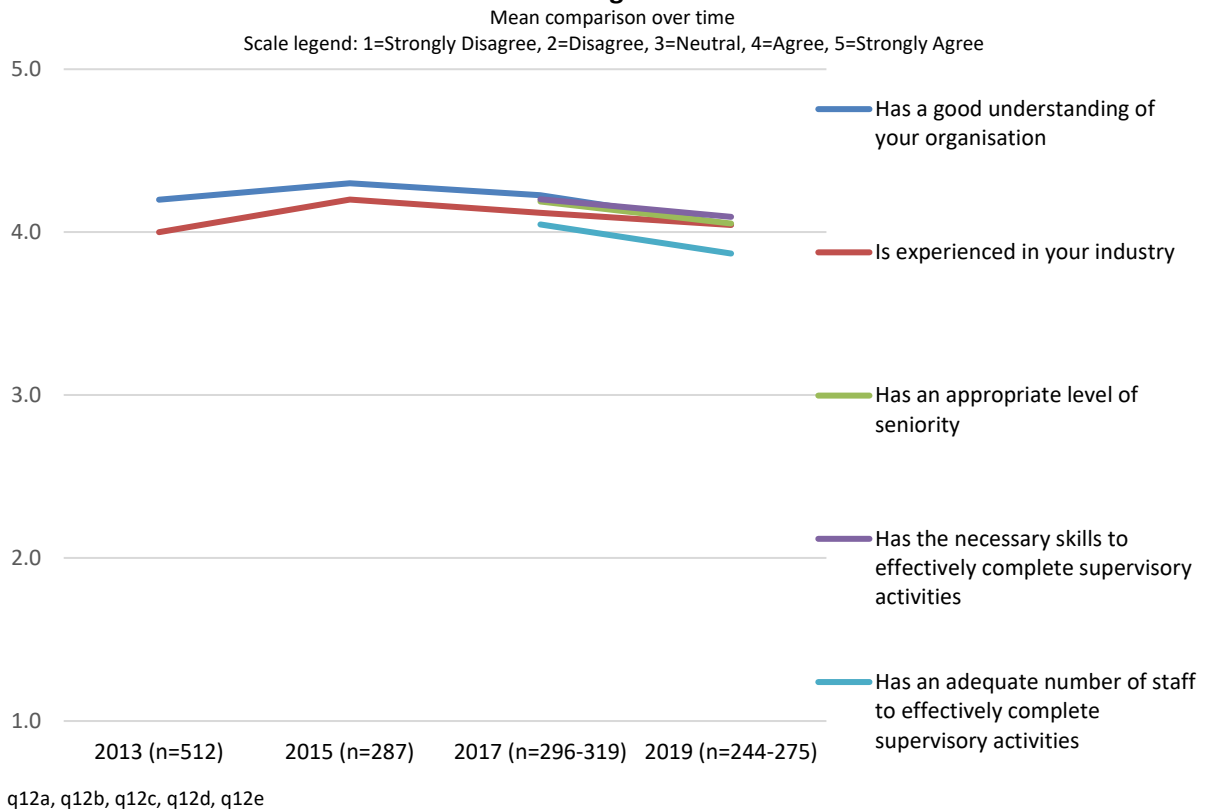
Mean comparison over time

Scale legend: 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

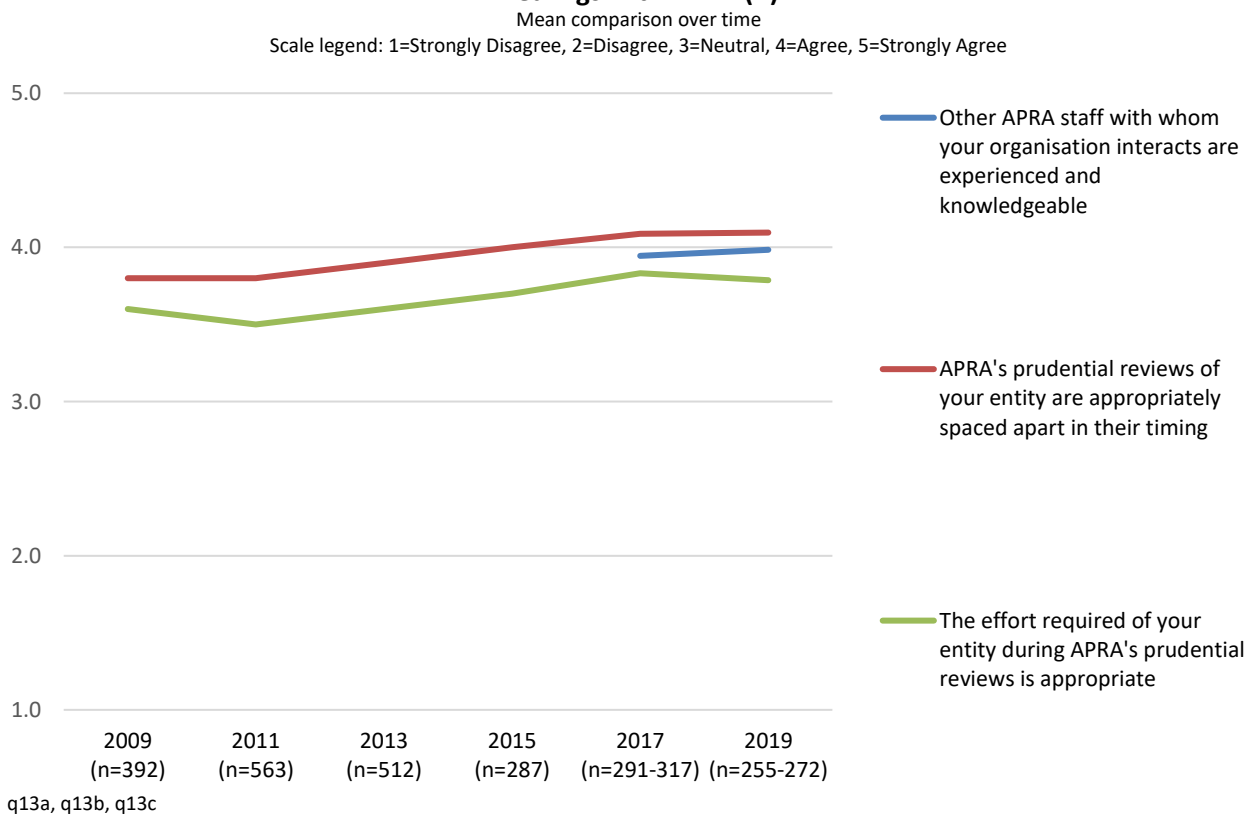


q10a, q10b, q10c, q10d, q10e, q10f

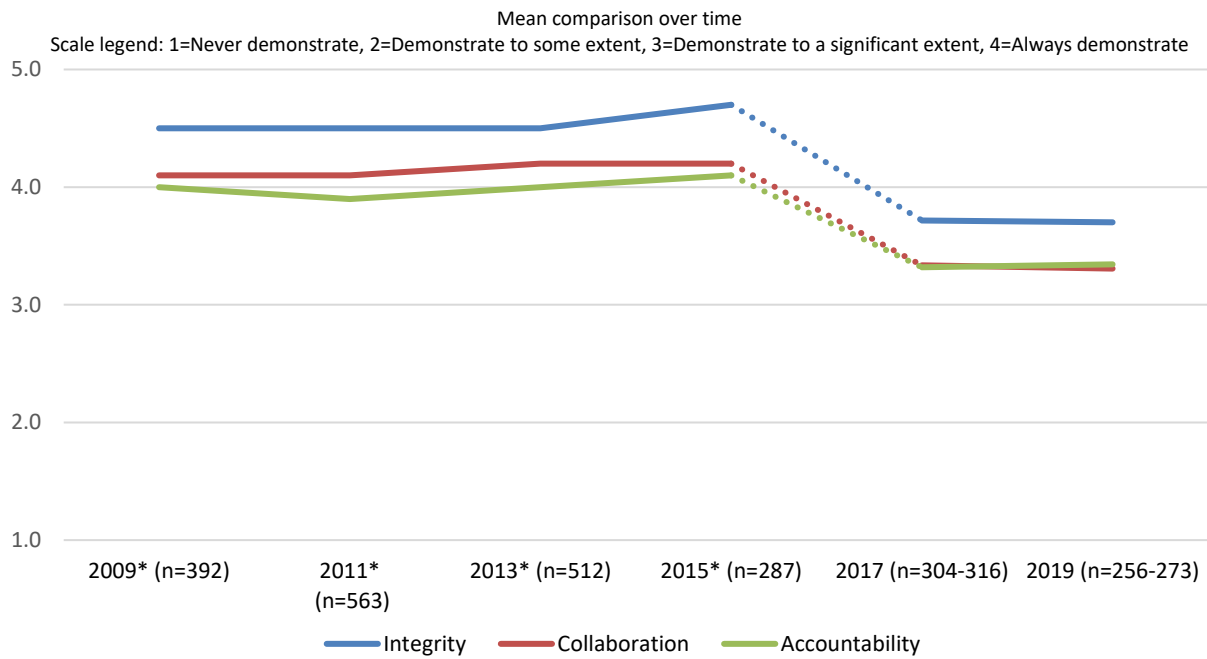
Dealings with APRA (A): The APRA supervisory team responsible for your organisation...



Dealings with APRA (B)



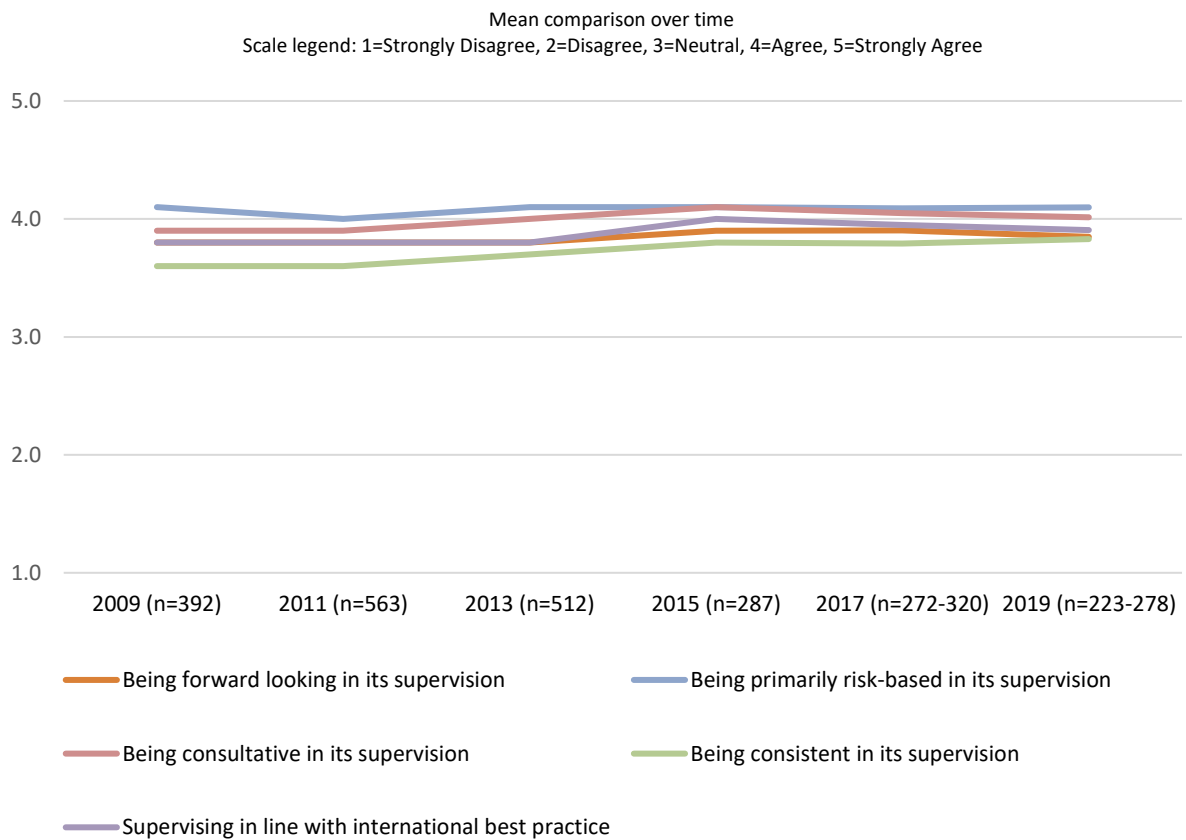
Dealings with APRA (C): APRA values



q14a, q14b, q14e

* 2009-2015 results are based on previous reporting using a different scale.

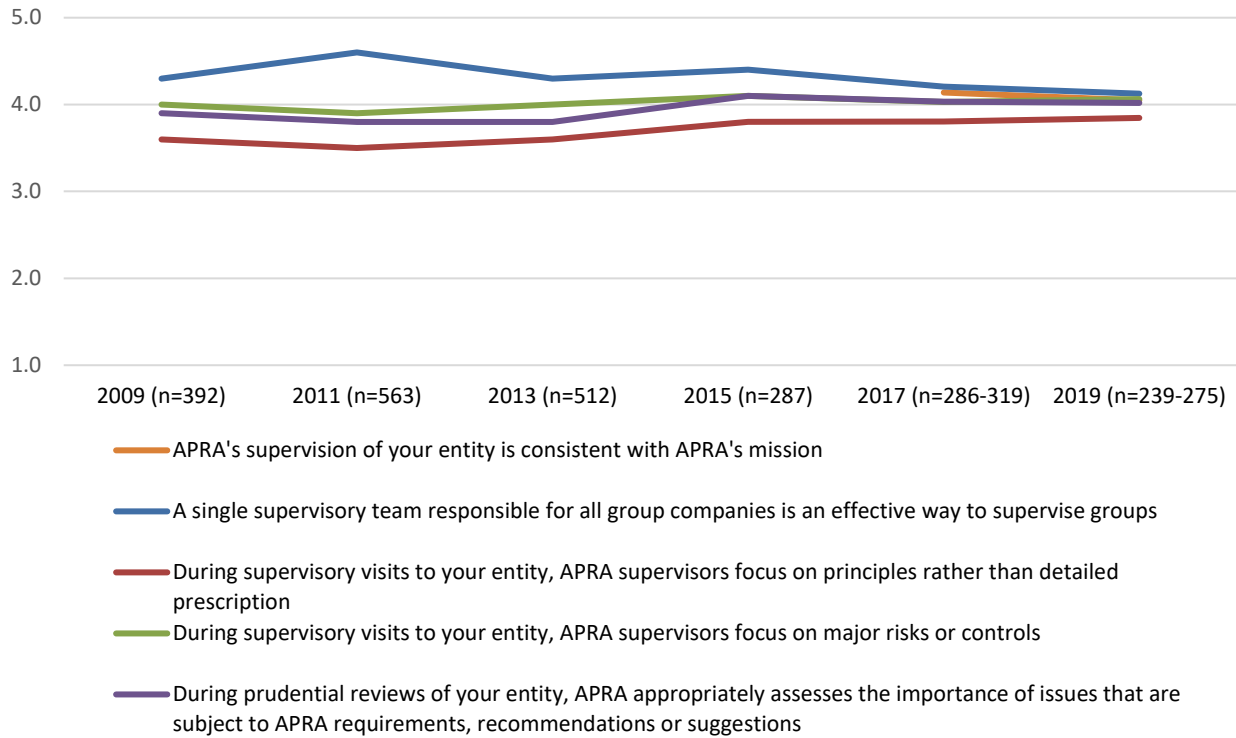
Supervisory activities (A): APRA meets its stated approach of:



q15a, q15b, q15c, q15d, q15e

Supervisory activities (B)

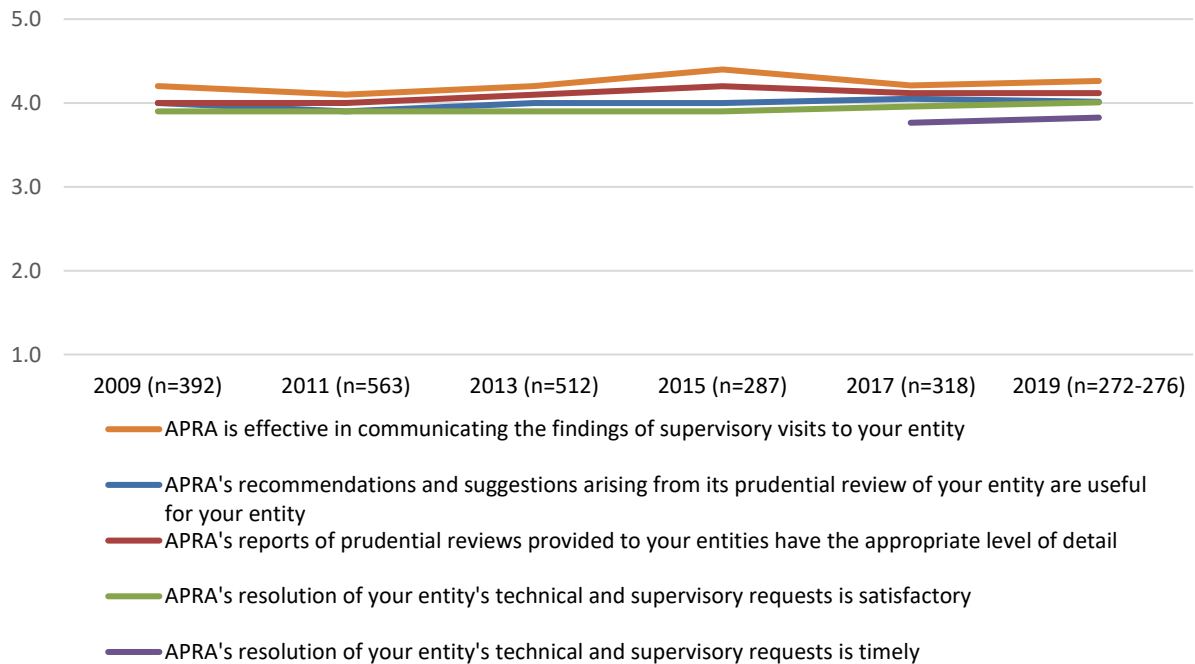
Mean comparison over time
 Scale legend: 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree



q15f, q15g, q16a, q16b, q16c

Supervisory activities (C)

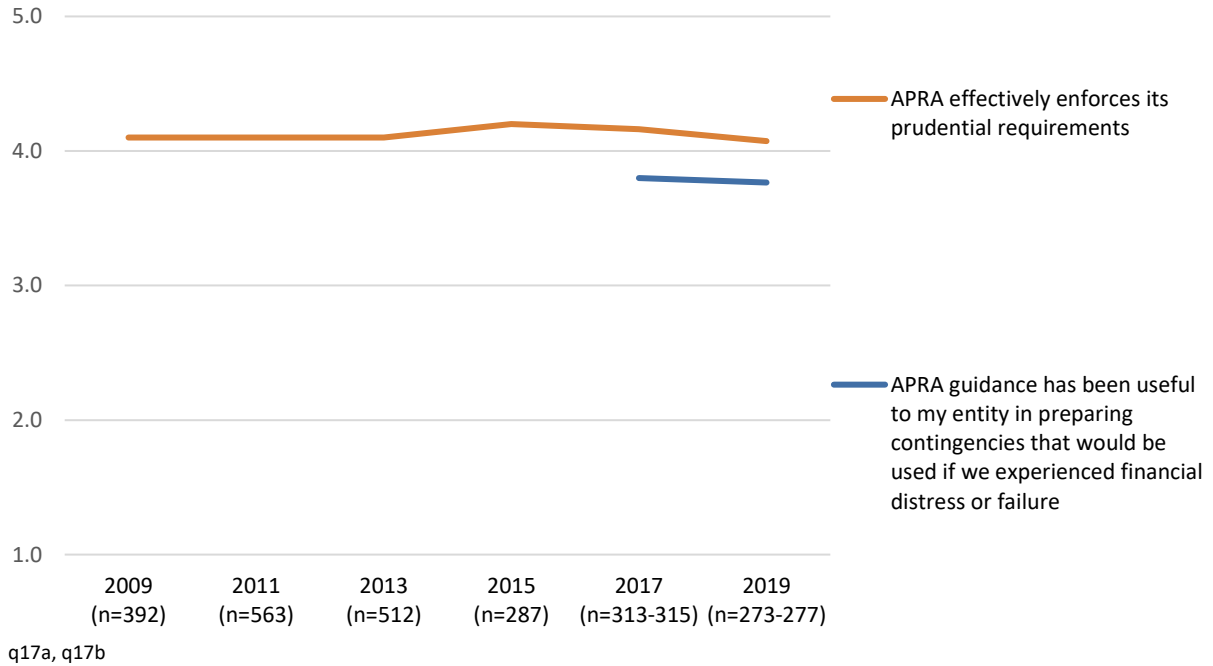
Mean comparison over time
 Scale legend: 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree



q16d, q16e, q16f, q16g, q16h

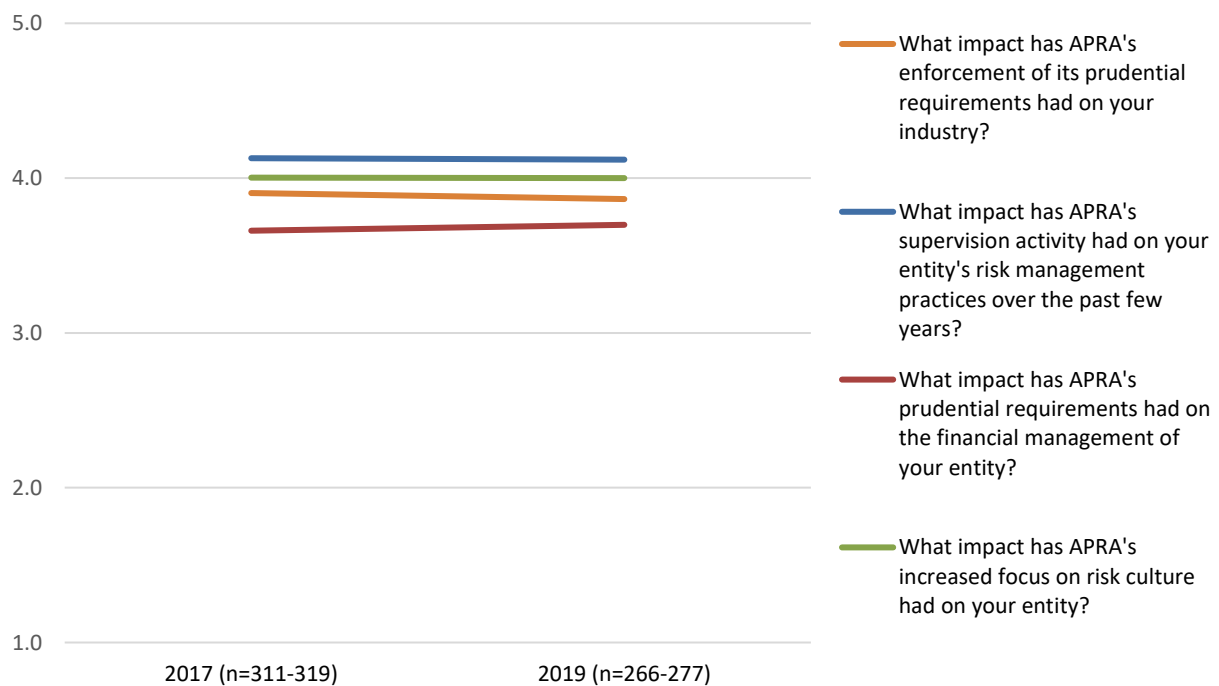
Supervisory activities (D)

Mean comparison over time
 Scale legend: 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree



Supervisory activities (E): APRA's impact

Mean comparison over time
 Scale legend: 1=Very negative impact, 2=Negative impact, 3=No impact, 4=Positive impact, 5=Very positive impact

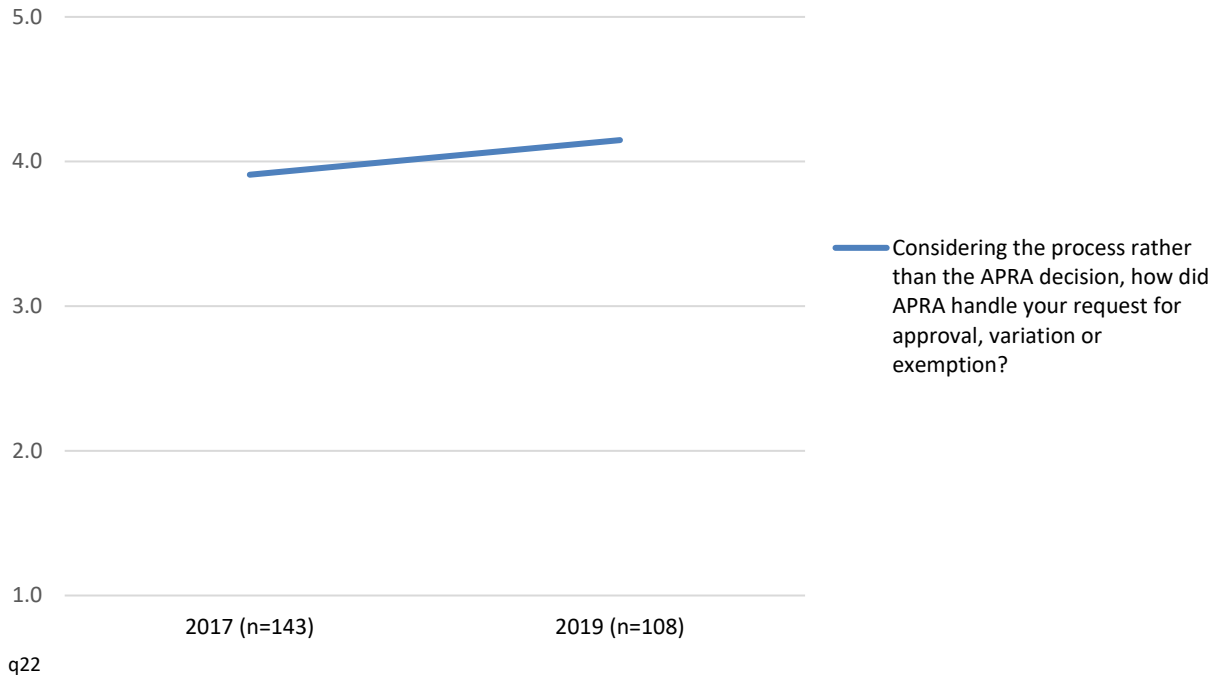


q19a, q19b, q19c, q19d

Exemptions and variations

Mean comparison over time

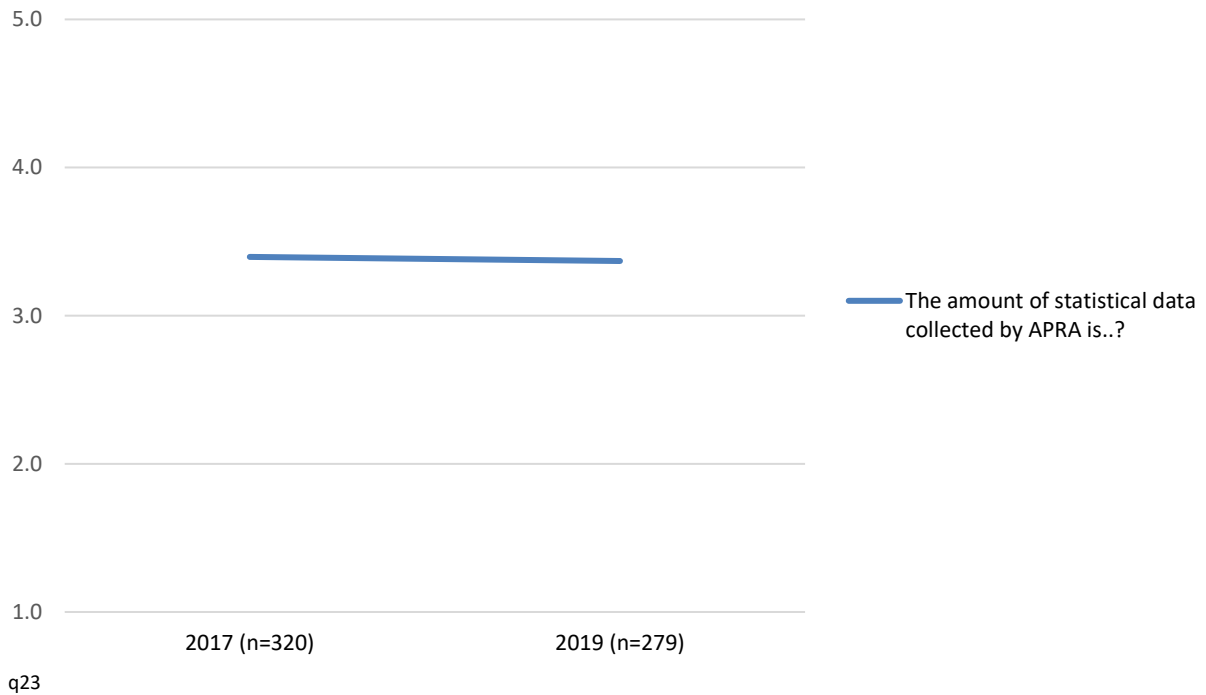
Scale legend: 1=Very poorly, 2=Poorly, 3=Neutral, 4=Well, 5=Very well



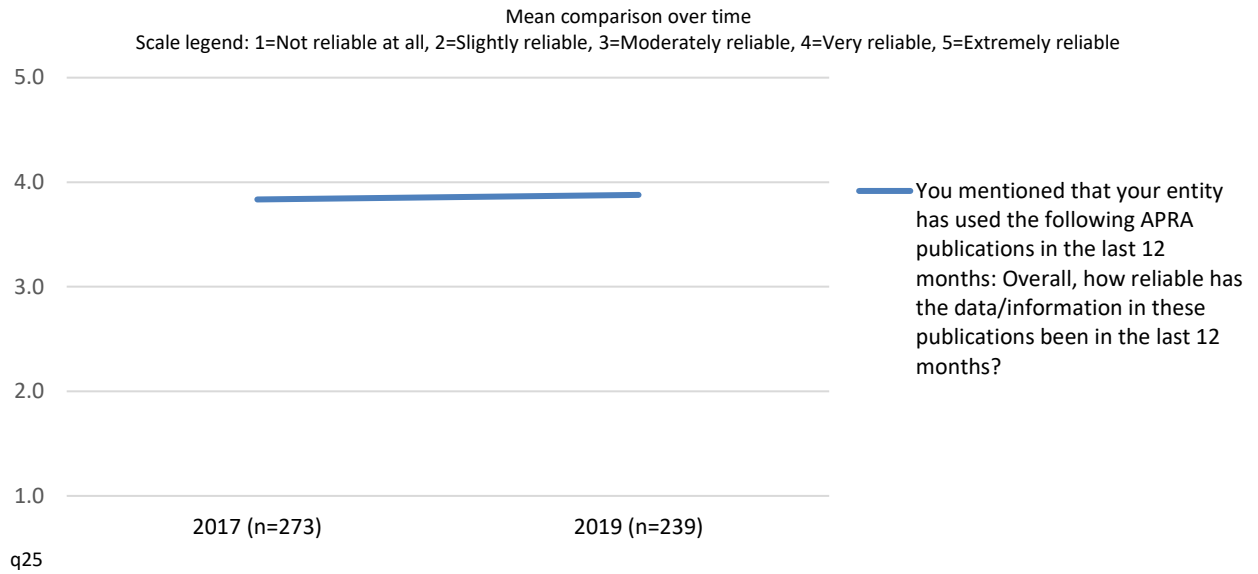
Data collections

Mean comparison over time

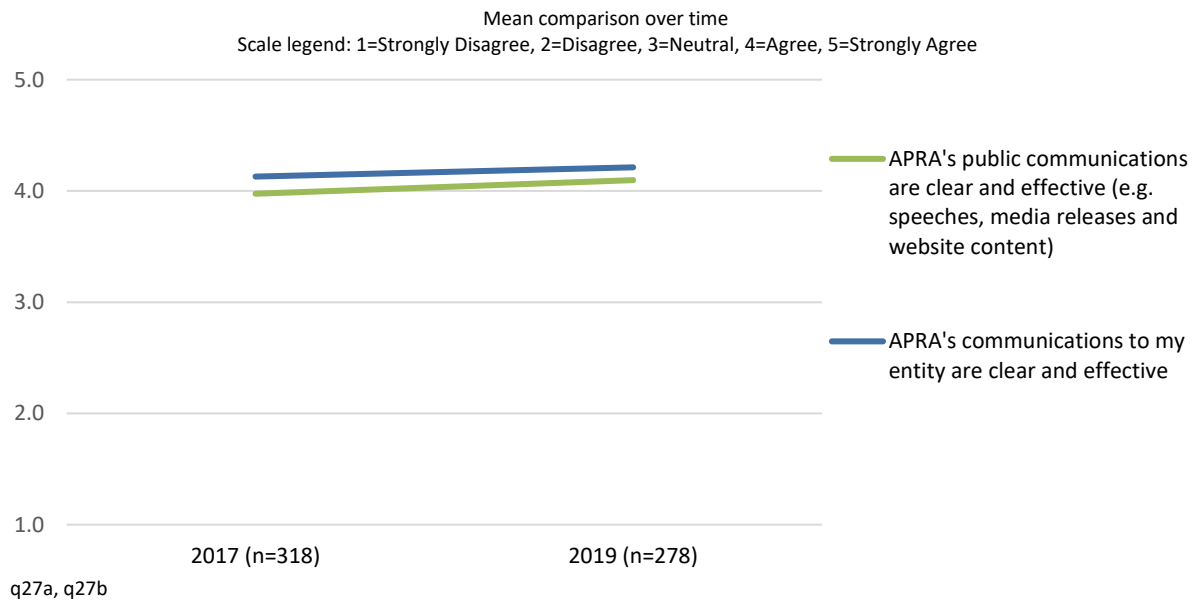
Scale legend: 1=Far too little, 2=Too little, 3=About right, 4=Too much, 5=Far too much



Usefulness and reliability of statistical publications (A)



Usefulness and reliability of statistical publications (B)



E. Regulated Entity 2017 comparison⁵

Regulated Entity 2017 comparison		2019 mean	2017 mean	Difference
Statistically significant differences highlighted yellow		(n=4-280)	(n=143-320)	
APRA's supervision				
q1a. APRA's supervision of the financial services sector benefits your industry in general		4.2	4.2	0.0
q1b. APRA's supervision of your industry enhances the financial and operational strength of your entity		4.0	3.9	0.1
q1c. APRA's supervision of your industry helps protect the financial well-being of the Australian community		4.3	4.3	0.0
q1d. 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.		3.7	3.8	-0.1
Prudential framework				
q2a. APRA's prudential framework is effective in achieving APRA's mission		4.0	4.0	-0.1
q2b. APRA's harmonisation of the prudential framework across its regulated industries is important for your entity		3.5	3.9	-0.3
q2c. The alignment of APRA's prudential standards with international best practice standards for your industry is important		3.9	3.9	0.0
q2d. APRA's prudential standards clearly communicate requirements		3.8	3.8	0.0
q2e. Changes to APRA's prudential framework sufficiently consider the costs of regulation imposed on industry		2.9	2.8	0.1
Usefulness of APRA guidance				
How useful is the guidance that your entity receives about the prudential framework from...*	q7a. Your APRA supervision team	4.0	4.1	0.0
	q7b. APRA's Prudential Practice Guides	3.9	3.9	-0.1
	q7c. APRA's letters to your entity	3.7	3.8	0.0
	q7d. Speeches by senior APRA representatives	3.4	3.3	0.1
	q7e. Other information on APRA's website, such as policy papers and FAQs	3.4	3.3	0.1
Consultation processes				
q8a. APRA sufficiently considers issues relevant to industry and other stakeholders when developing its prudential standards and guidance material		3.6	3.6	0.0
q8b. APRA provides sufficient opportunity for consultation with industry about proposed changes to prudential standards and guidance material		3.9	4.0	-0.1
q8c. APRA's consultation packages are readily understood		3.9	4.0	0.0
q8d. APRA's consultation packages provide a good base for consultation with industry		3.9	4.0	-0.1

⁵ All 'don't know' response categories have been excluded from the calculation of means

Regulated Entity 2017 comparison		2019 mean	2017 mean	Difference
Statistically significant differences highlighted yellow		(n=4-280)	(n=143-320)	
q8e. APRA communicates clearly during consultation with industry about proposed changes to prudential standards and guidance materials		3.9	3.9	-0.1
Risk assessments				
q10a. APRA's risk assessment of your entity is aligned with your entity's own risk assessment		3.9	3.9	0.0
q10b. APRA's PAIRS rating reflects your entity's view of its risk profile		4.0	4.0	0.0
q10c. The information that APRA collects in the course of supervision is adequate to assess risks in your entity		4.0	4.1	-0.1
q10d. APRA is effective in identifying risks and problems in that part of your institution that APRA regulates		3.8	4.0	-0.2
q10e. APRA is effective in identifying risks across your industry in general		3.9	4.0	-0.1
q10f. APRA identifies emerging industry issues in a timely manner		3.7	3.7	0.0
q10g. APRA assists your institution to identify and mitigate emerging risks.		3.5	-	N/A
Dealings with APRA				
The APRA supervisory team responsible for your organisation...	q12a. Has a good understanding of your organisation	4.0	4.2	-0.2
	q12b. Is experienced in your industry	4.0	4.1	-0.1
	q12c. Has an appropriate level of seniority	4.1	4.2	-0.1
	q12d. Has the necessary skills to effectively complete supervisory activities	4.1	4.2	-0.1
	q12e. Has an adequate number of staff to effectively complete supervisory activities	3.9	4.0	-0.2
q13a. Other APRA staff with whom your organisation interacts are experienced and knowledgeable		4.0	3.9	0.0
q13b. APRA's prudential reviews of your entity are appropriately spaced apart in their timing		4.1	4.1	0.0
q13c. The effort required of your entity during APRA's prudential reviews is appropriate		3.8	3.8	0.0
To what extent do APRA staff demonstrate the APRA values?#	q14a. Integrity	3.7	3.7	0.0
	q14b. Collaboration	3.3	3.3	0.0
	q14c. Respect	3.6	-	N/A
	q14d. Excellence	3.2	-	N/A
	q14e. Accountability	3.3	3.3	0.0
Supervisory activities				
APRA meets its stated approach of...	q15a. Being forward looking in its supervision	3.8	3.9	-0.1
	q15b. Being primarily risk-based in its supervision	4.1	4.1	0.0
	q15c. Being consultative in its supervision	4.0	4.1	0.0
	q15d. Being consistent in its supervision	3.8	3.8	0.0

Regulated Entity 2017 comparison Statistically significant differences highlighted yellow	2019 mean (n=4-280)	2017 mean (n=143-320)	Difference
q15e. Supervising in line with international best practice	3.9	3.9	0.0
q15f. APRA's supervision of your entity is consistent with APRA's mission	4.0	4.1	-0.1
q15g. A single supervisory team responsible for all group companies is an effective way to supervise groups	4.1	4.2	-0.1
q16a. During supervisory visits to your entity, APRA supervisors focus on principles rather than detailed prescription	3.8	3.8	0.0
q16b. During supervisory visits to your entity, APRA supervisors focus on major risks or controls	4.1	4.0	0.0
q16c. During prudential reviews of your entity, APRA appropriately assesses the importance of issues that are subject to APRA requirements, recommendations or suggestions	4.0	4.0	0.0
q16d. APRA is effective in communicating the findings of supervisory visits to your entity	4.3	4.2	0.1
q16e. APRA's recommendations and suggestions arising from its prudential review of your entity are useful for your entity	4.0	4.1	0.0
q16f. APRA's reports of prudential reviews provided to your entities have the appropriate level of detail	4.1	4.1	0.0
q16g. APRA's resolution of your entity's technical and supervisory requests is satisfactory	4.0	4.0	0.0
q16h. APRA's resolution of your entity's technical and supervisory requests is timely	3.8	3.8	0.1
q17a. APRA effectively enforces its prudential requirements	4.1	4.2	-0.1
q17b. APRA guidance has been useful to my entity in preparing contingencies that would be used if we experienced financial distress or failure	3.8	3.8	0.0
q19a. What impact has APRA's enforcement of its prudential requirements had on your industry?^	3.9	3.9	0.0
q19b. What impact has APRA's supervision activity had on your entity's risk management practices over the past few years?^	4.1	4.1	0.0
q19c. What impact has APRA's prudential requirements had on the financial management of your entity?^	3.7	3.7	0.0
q19d. What impact has APRA's increased focus on risk culture had on your entity?^	4.0	4.0	0.0
Exemptions and variations			
q22. Considering the process rather than the APRA decision, how did APRA handle your request for approval, variation or exemption?^^	4.1	3.9	0.2
Data collections			
q23. The amount of statistical data collected by APRA is..?~	3.4	3.4	0.0
Usefulness and reliability of statistical publications			
q24a. ADI: Points of Presence	2.6	2.7	0.0

Regulated Entity 2017 comparison Statistically significant differences highlighted yellow	2019 mean (n=4-280)	2017 mean (n=143-320)	Difference
q24b. Quarterly Authorised Deposit-taking Institution Performance	3.2	3.0	0.2
q24c. Quarterly Authorised Deposit-taking Institution Property Exposure	3.1	2.9	0.2
q24d. Monthly Banking Statistics	3.3	3.1	0.2
q24e. General Insurance Institution-level Statistics	3.0	2.8	0.2
q24f. Intermediated General Insurance Statistics	2.7	2.6	0.1
q24g. General Insurance: National Claims and Policy Database Statistical Reports	2.8	2.7	0.1
q24h. General Insurance Claims Development Statistics	2.9	-	N/A
q24i. Quarterly General Insurance Performance Statistics	2.9	2.8	0.1
q24j. Annual Friendly Society Bulletin	1.8	1.9	-0.2
q24k. Quarterly Life Insurance Performance Statistics	2.9	2.5	0.4
q24l. Life Insurance Institution-level Statistics	2.9	2.4	0.5
q24m. Life Insurance Supplementary Statistical Tables	2.7	2.4	0.3
q24n. Annual Superannuation Bulletin	3.1	2.7	0.4
q24o. Quarterly Superannuation Performance Statistics	3.1	2.8	0.4
q24p. Annual Fund-level Superannuation	3.1	2.9	0.2
q24q. Annual MySuper Statistics	3.1	3.0	0.1
q24r. Quarterly MySuper Statistics	3.0	2.8	0.2
q24s. Private Health Insurance Quarterly statistics	2.7	2.3	0.4
q24t. Private Health Insurance Membership and Coverage	2.8	2.3	0.6
q24u. Medical Gap	2.4	2.1	0.3
q24v. Medical Services	2.3	2.1	0.1
q24w. Private Health Insurance Membership and Benefits	2.9	2.3	0.6
q24x. Prostheses	2.4	2.2	0.2
q24y. Private Health Insurance Statistical Trends	2.9	2.4	0.5
q24z. Annual Coverage Survey	2.8	2.3	0.5

How useful have each of the following statistical publications been for your entity in the last 12 months?*

Regulated Entity 2017 comparison Statistically significant differences highlighted yellow	2019 mean (n=4-280)	2017 mean (n=143-320)	Difference
q24aa. Operations of Private Health Insurers Annual Report	2.8	2.3	0.6
q24bb. Risk Equalisation Annual	2.9	2.5	0.4
q25. You mentioned that your entity has used the following APRA publications in the last 12 months: Overall, how reliable has the data/information in these publications been in the last 12 months?***	3.9	3.8	0.0
q27a. APRA's public communications are clear and effective (e.g. speeches, media releases and website content)	4.1	4.0	0.1
q27b. APRA's communications to my entity are clear and effective	4.2	4.1	0.1

Yellow and bold indicates statistically significant difference ($p < 0.05$). The method used was a Welch T test assuming unequal variances.

Scale legend:

* 1=Not useful at all, 2=Slightly useful, 3=Moderately useful, 4=Very useful, 5=Extremely useful

1=Never demonstrate, 2=Demonstrate to some extent, 3=Demonstrate to a significant extent, 4=Always demonstrate

^ 1=Very negative impact, 2=Negative impact, 3=No impact, 4=Positive impact, 5=Very positive impact

^^ 1=Very poorly, 2=Poorly, 3=Neutral, 4=Well, 5=Very well

~ 1=Far too little, 2=Too little, 3=About right, 4=Too much, 5=Far too much

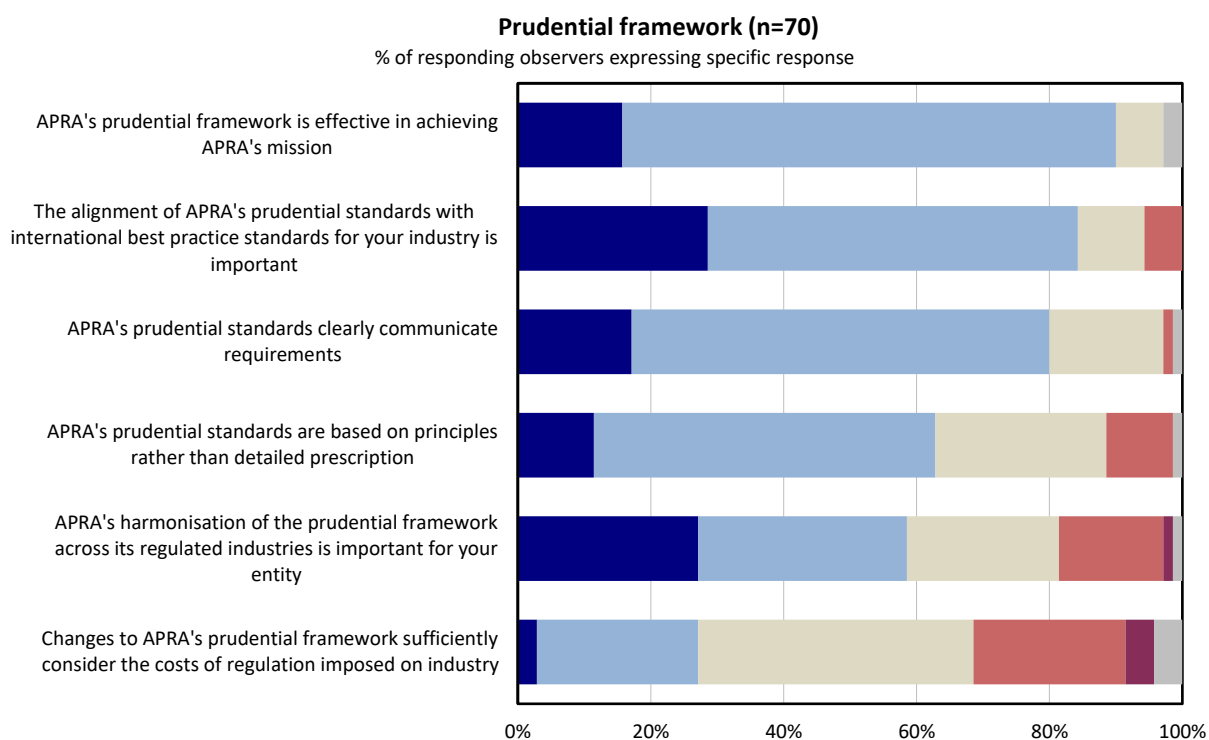
** 1=Not reliable at all, 2=Slightly reliable, 3=Moderately reliable, 4=Very reliable, 5=Extremely reliable

All others: 1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly agree

IV. Knowledgeable Observer charts and tables

This section of the report shows the results for Knowledgeable Observers (KOs) for each individual question asked in the 2019 survey.

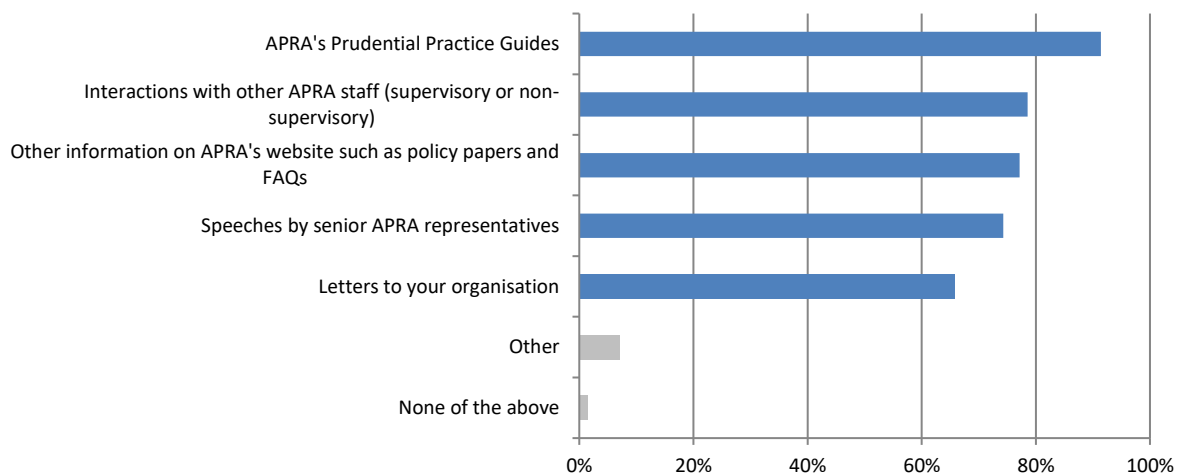
A. Knowledgeable Observer overall frequency distribution charts



	Changes to APRA's prudential framework sufficiently consider the costs of regulation imposed on industry	APRA's harmonisation of the prudential framework across its regulated industries is important for your entity	APRA's prudential standards are based on principles rather than detailed prescription	APRA's prudential standards clearly communicate requirements	The alignment of APRA's prudential standards with international best practice standards for your industry is important	APRA's prudential framework is effective in achieving APRA's mission
Strongly agree	3%	27%	11%	17%	29%	16%
Agree	24%	31%	51%	63%	56%	74%
Neutral	41%	23%	26%	17%	10%	7%
Disagree	23%	16%	10%	1%	6%	0%
Strongly disagree	4%	1%	0%	0%	0%	0%
Don't know	4%	1%	1%	1%	0%	3%
Top 2 score	27%	59%	63%	80%	84%	90%
Mean	3.0	3.7	3.7	4.0	4.1	4.1

q2a, q2c, q2d, q2f, q2b, q2e.

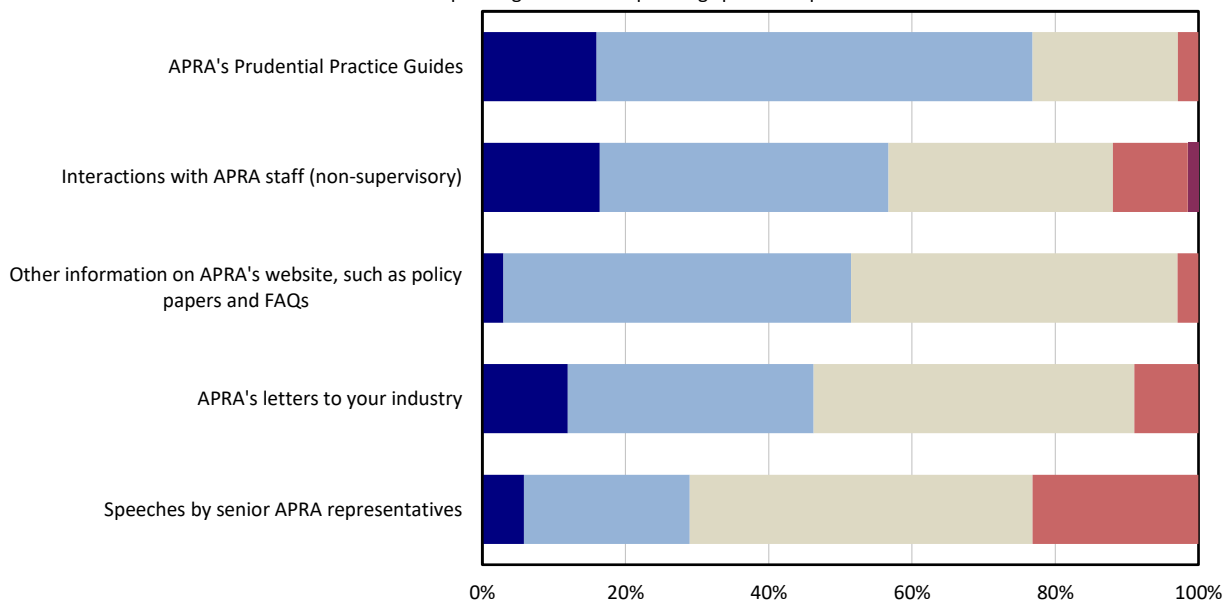
**Sources of guidance organisation has used in past 12 months (Multiple Response)
(n=70)**



q6.

Usefulness of guidance (n=67-69)

% of responding observers expressing specific response

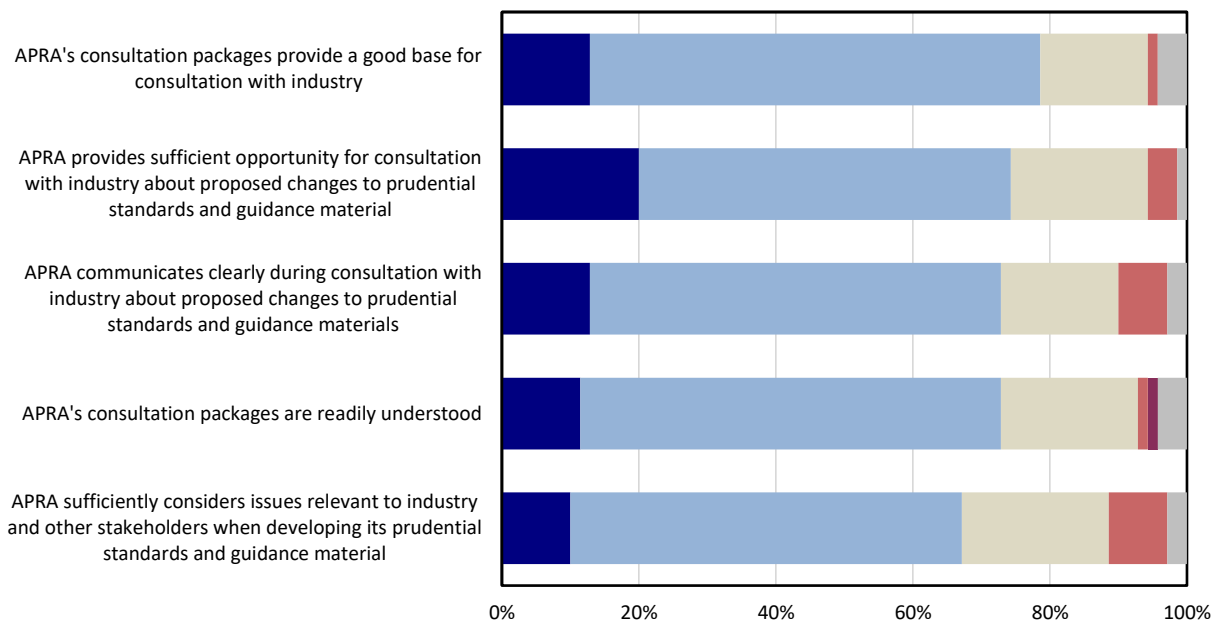


	Speeches by senior APRA representatives	APRA's letters to your industry	Other information on APRA's website, such as policy papers and FAQs	Interactions with APRA staff (non-supervisory)	APRA's Prudential Practice Guides
Extremely useful	6%	12%	3%	16%	16%
Very useful	23%	34%	49%	40%	61%
Moderately useful	48%	45%	46%	31%	20%
Slightly useful	23%	9%	3%	10%	3%
Not useful at all	0%	0%	0%	1%	0%
Top 2 score	29%	46%	51%	57%	77%
Mean	3.1	3.5	3.5	3.6	3.9

q7b, q7ai, q7e, q7c, q7d.

Consultation processes (n=70)

% of responding observers expressing specific response

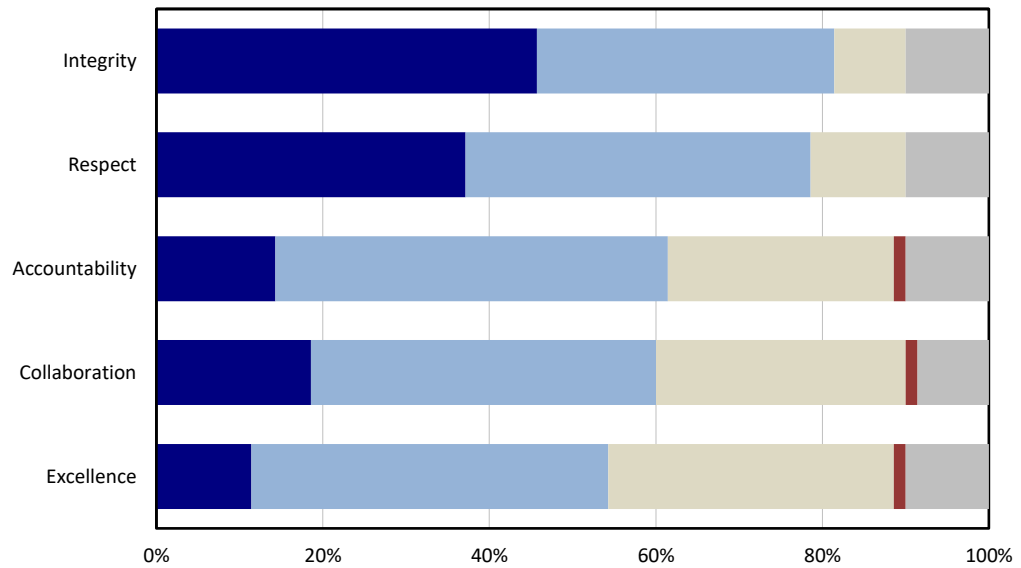


	APRA sufficiently considers issues relevant to industry and other stakeholders when developing its prudential standards and guidance material	APRA's consultation packages are readily understood	APRA communicates clearly during consultation with industry about proposed changes to prudential standards and guidance materials	APRA provides sufficient opportunity for consultation with industry about proposed changes to prudential standards and guidance material	APRA's consultation packages provide a good base for consultation with industry
■ Strongly agree	10%	11%	13%	20%	13%
■ Agree	57%	61%	60%	54%	66%
■ Neutral	21%	20%	17%	20%	16%
■ Disagree	9%	1%	7%	4%	1%
■ Strongly disagree	0%	1%	0%	0%	0%
■ Don't know	3%	4%	3%	1%	4%
Top 2 score	67%	73%	73%	74%	79%
Mean	3.7	3.8	3.8	3.9	3.9

q8d, q8b, q8e, q8c, q8a.

To what extent do APRA staff demonstrate values? (n=70)

% of responding observers expressing specific response

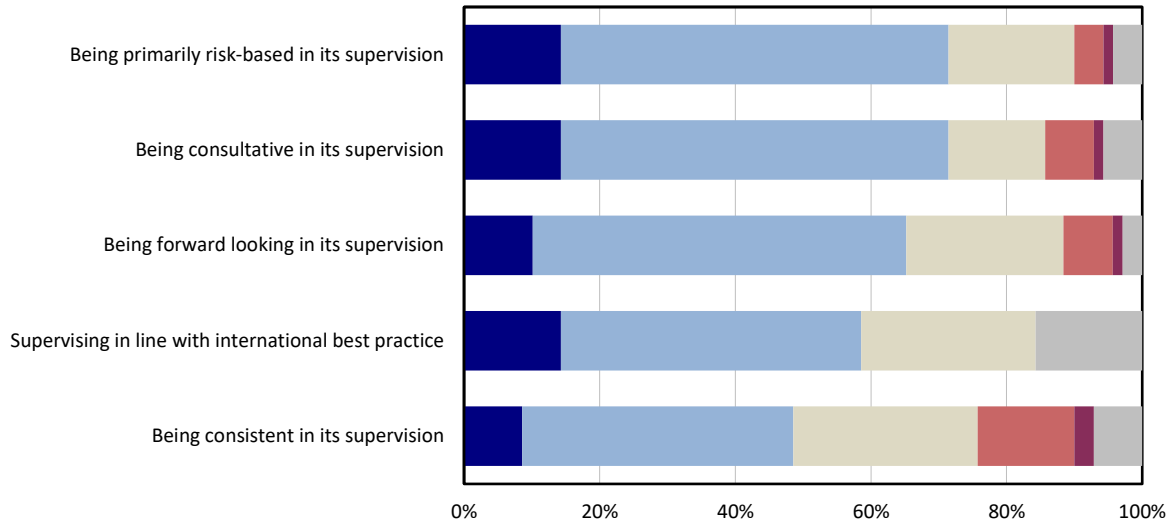


	Excellence	Collaboration	Accountability	Respect	Integrity
Always demonstrate	11%	19%	14%	37%	46%
Demonstrate to a significant extent	43%	41%	47%	41%	36%
Demonstrate to some extent	34%	30%	27%	11%	9%
Never demonstrate	1%	1%	1%	0%	0%
Don't know	10%	9%	10%	10%	10%
Top 2 score	54%	60%	61%	79%	81%
Mean	2.7	2.8	2.8	3.3	3.4

q14a, q14c, q14e, q14b, q14d.

Supervisory activities (n=69-70)

% of responding observers expressing specific response

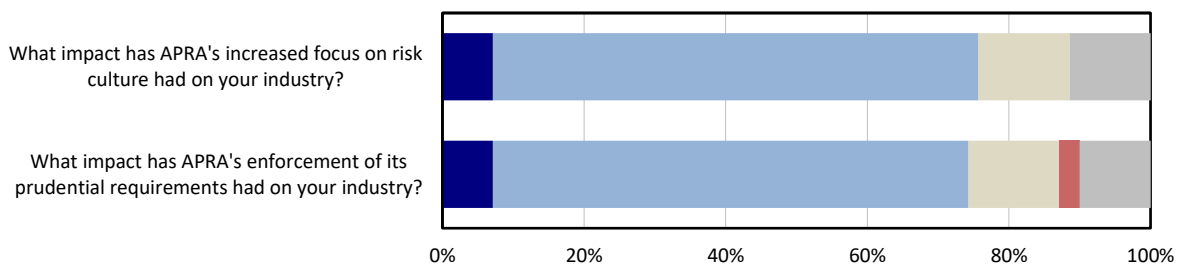


	Being consistent in its supervision	Supervising in line with international best practice	Being forward looking in its supervision	Being consultative in its supervision	Being primarily risk-based in its supervision
Strongly agree	9%	14%	10%	14%	14%
Agree	40%	44%	55%	57%	57%
Neutral	27%	26%	23%	14%	19%
Disagree	14%	0%	7%	7%	4%
Strongly disagree	3%	0%	1%	1%	1%
Don't know	7%	16%	3%	6%	4%
Top 2 score	49%	59%	65%	71%	71%
Mean	3.4	3.9	3.7	3.8	3.8

q15b, q15c, q15a, q15e, q15d.

Impact of APRA (n=70)

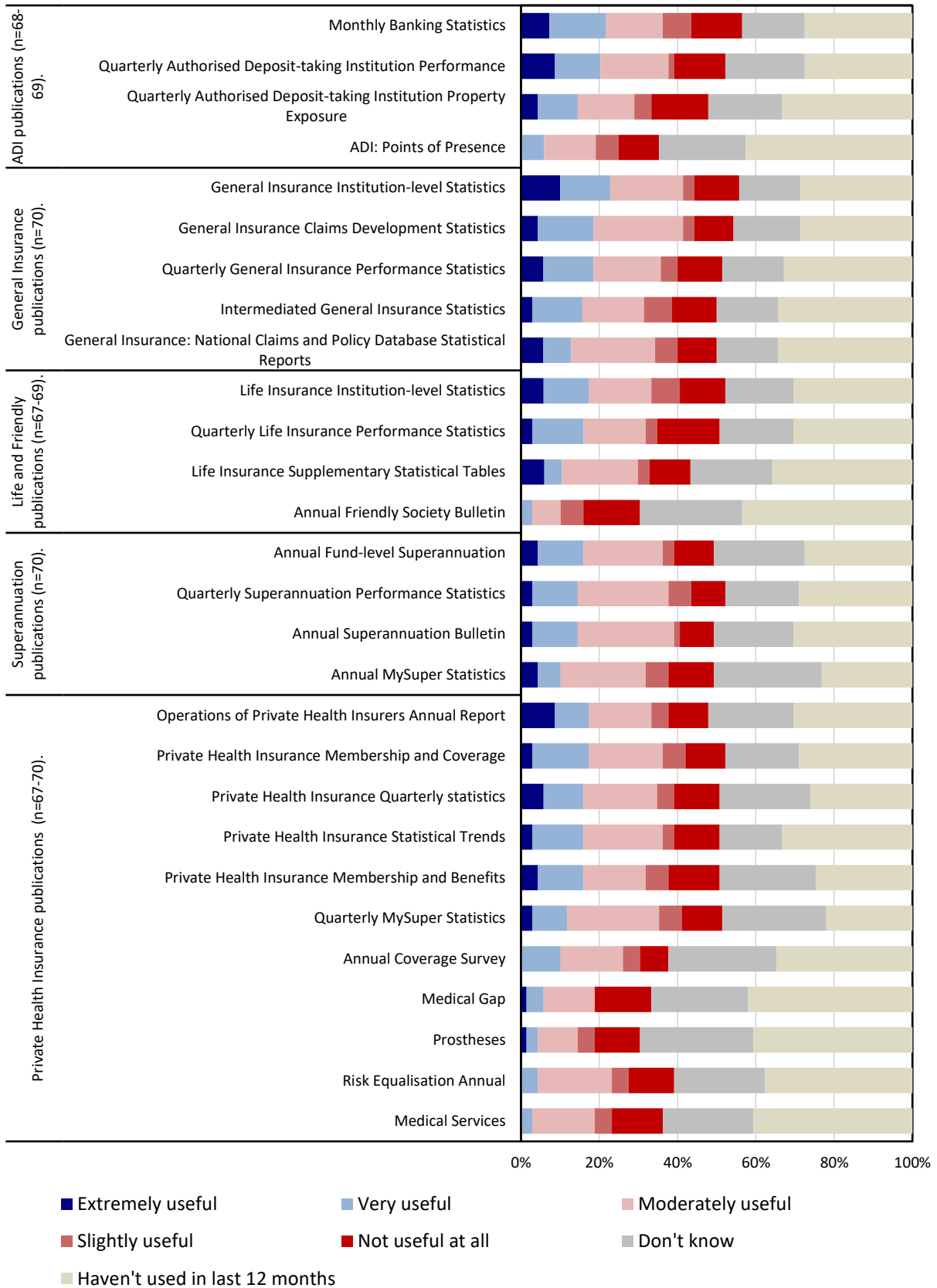
% of responding observers expressing specific response



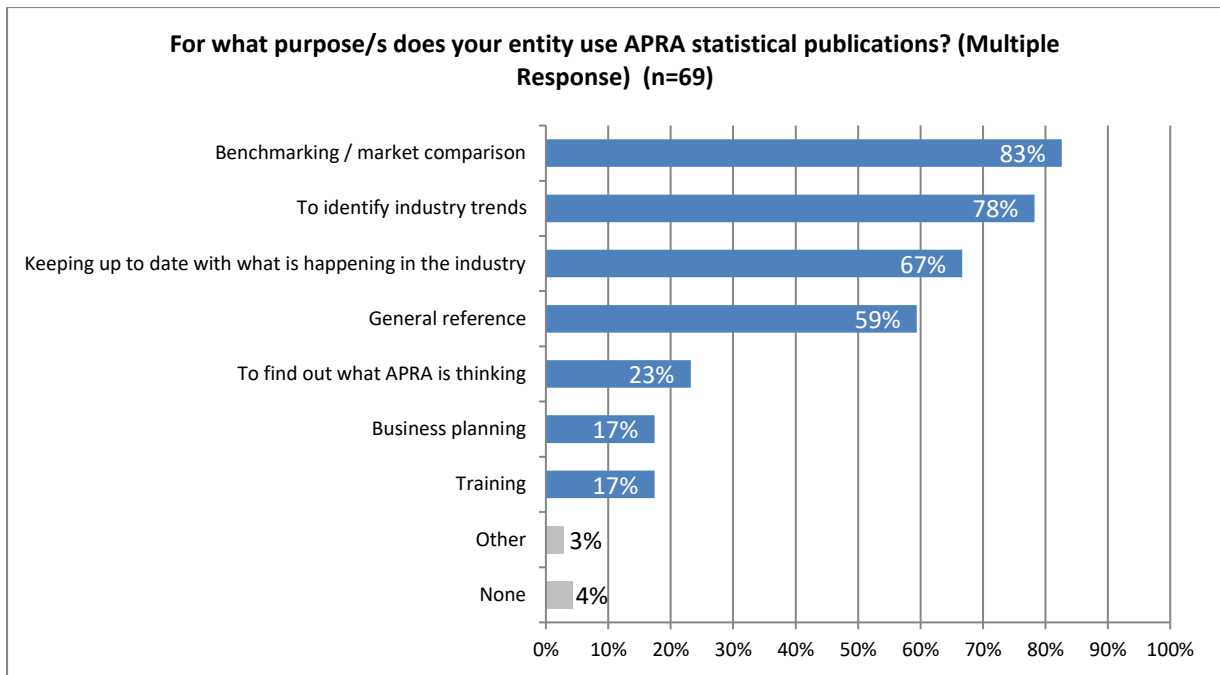
	What impact has APRA's enforcement of its prudential requirements had on your industry?	What impact has APRA's increased focus on risk culture had on your industry?
Very positive impact	7%	7%
Positive impact	67%	69%
No impact	13%	13%
Negative impact	3%	0%
Very negative impact	0%	0%
Don't know	10%	11%
Top 2 score	74%	76%
Mean	3.9	3.9

q19d, q19a.

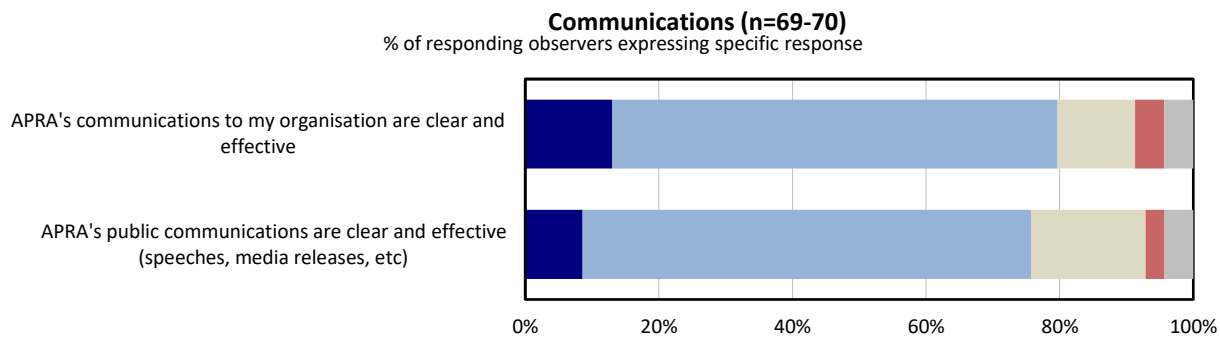
Statistical publications (n=67-70)
 % of relevant observers expressing specific response



q24d, q24b, q24c, q24a, q24h, q24e, q24g, q24f, q24j, q24k, q24l, q24i, q24m, q24o, q24n, q24q, q24p, q24x, q24v, q24aa, q24r, q24s, q24z, q24y, q24w, q24u, q24t



q24.

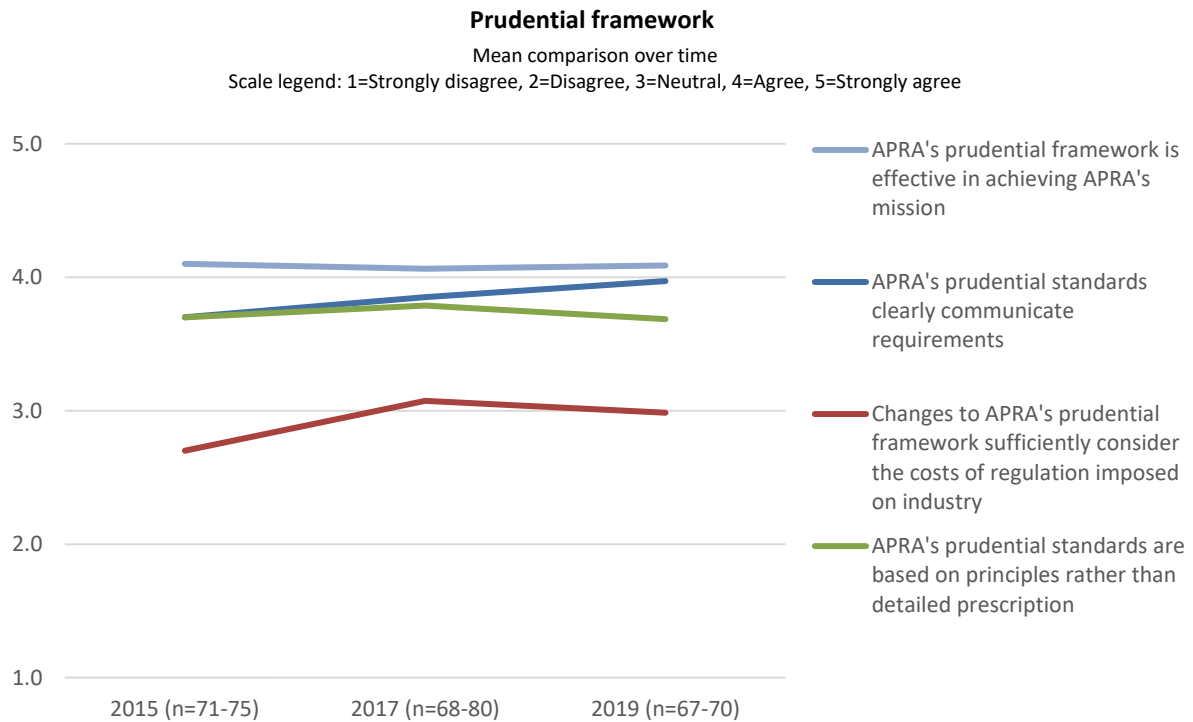


	APRA's public communications are clear and effective (speeches, media releases, etc)	APRA's communications to my organisation are clear and effective
Strongly agree	9%	13%
Agree	67%	67%
Neutral	17%	12%
Disagree	3%	4%
Strongly disagree	0%	0%
Don't know	4%	4%
Top 2 score	76%	80%
Mean	3.9	3.9

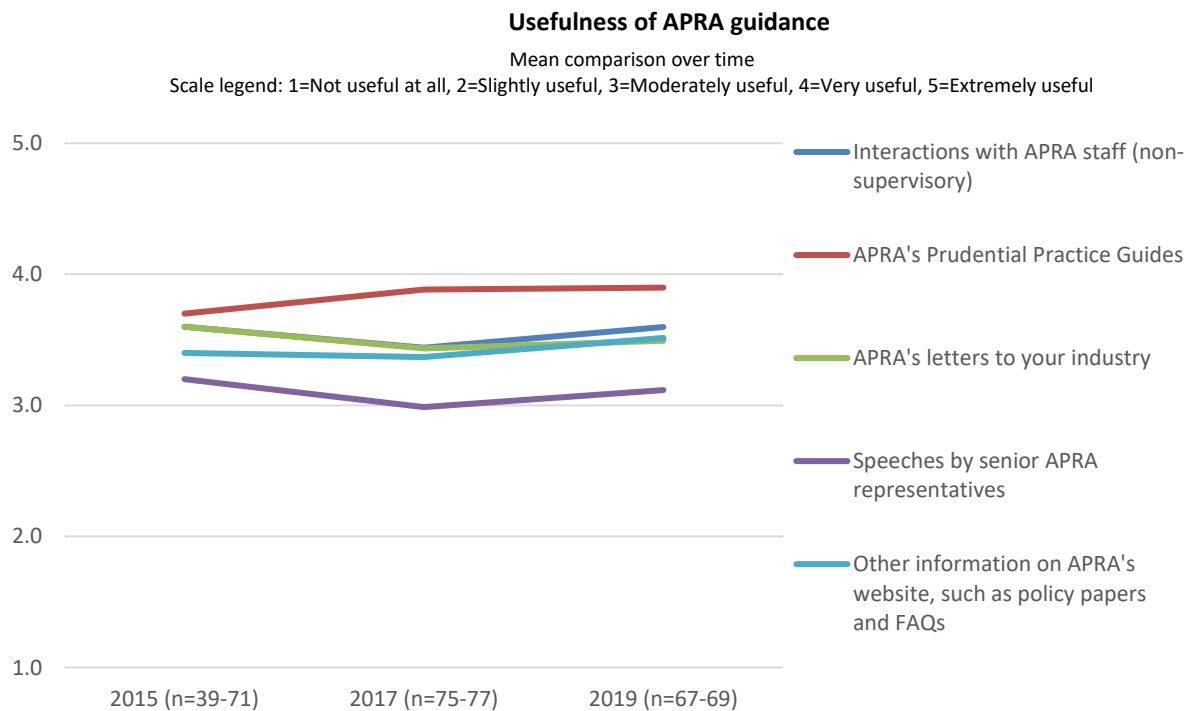
q27b, q27a.

B. Knowledgeable Observers year trends

This section of the report shows the KO results for 2019 compared to the track of previous survey results. The charts track the mean (average) scores on individual questions that were asked in previous survey years.



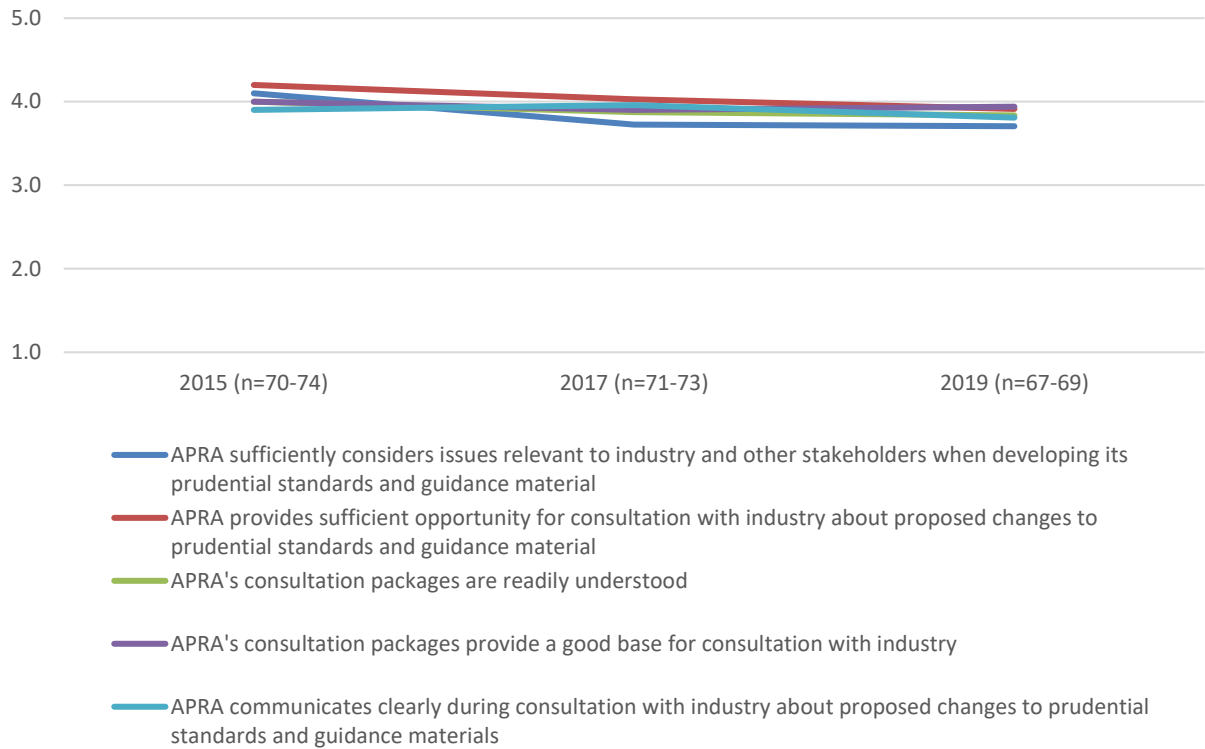
q2a, q2d, q2e, q2f



q7ai, q7b, q7c, q7d, q7e

Consultation processes

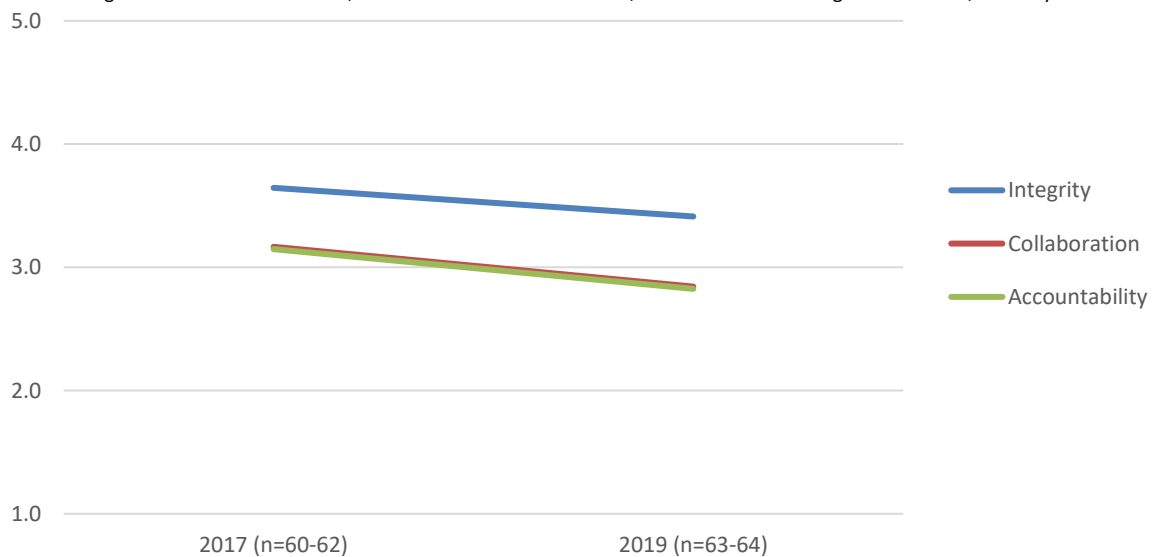
Mean comparison over time
 Scale legend: 1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly agree



q8a, q8b, q8c, q8d, q8e

Dealings with APRA

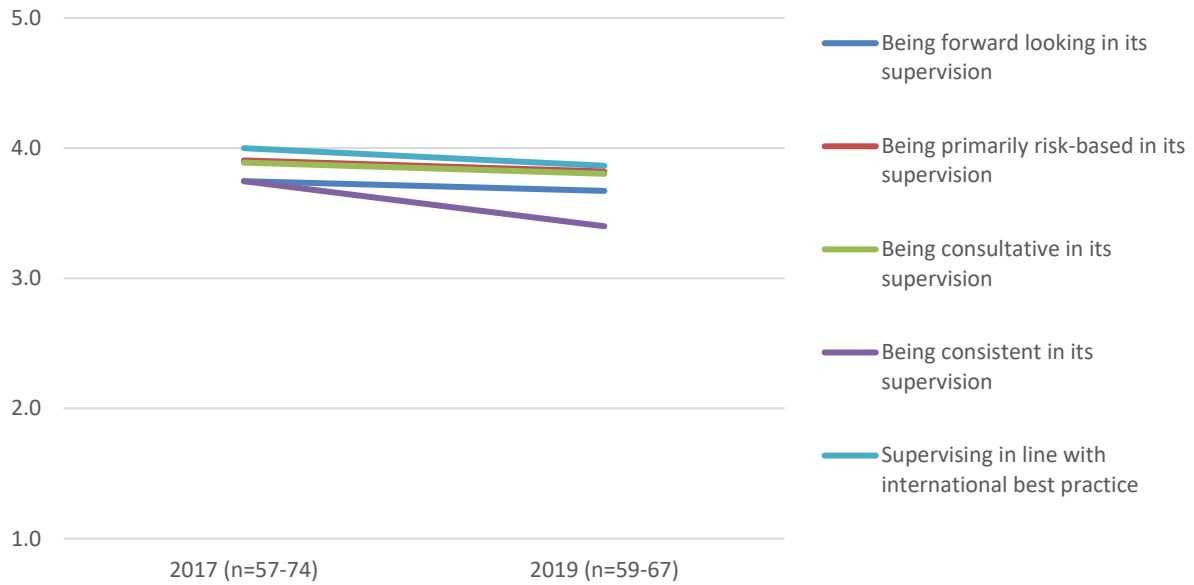
Mean comparison over time
 Scale legend: 1=Never demonstrate, 2=Demonstrate to some extent, 3=Demonstrate to a significant extent, 4=Always demonstrate



q14a, q14b, q14e

Supervisory activities (A): APRA meets its stated approach of:

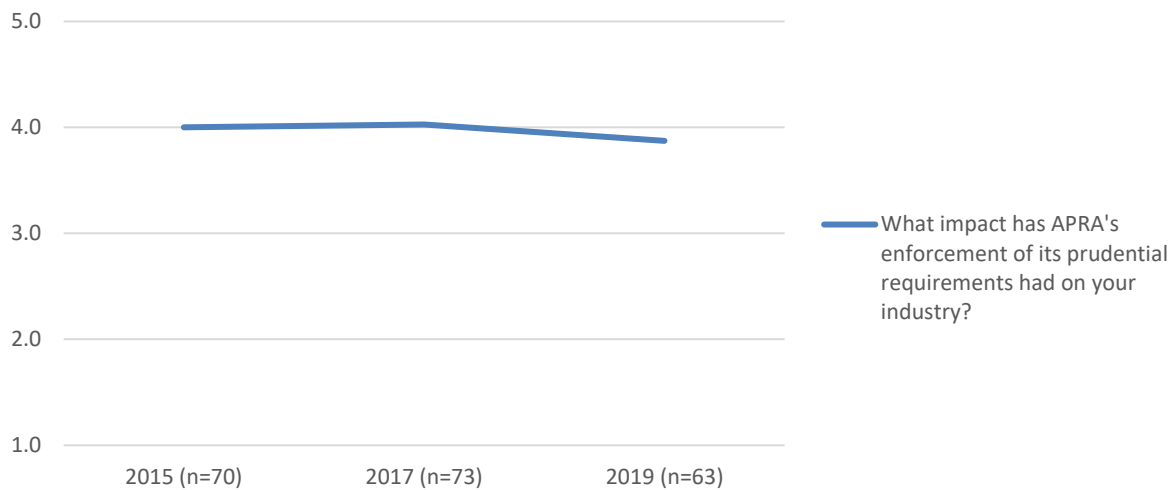
Mean comparison over time
 Scale legend: 1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly agree



q15a, q15b, q15c, q15d, q15e

Supervisory activities (B)

Mean comparison over time
 Scale legend: 1=Very negative impact, 2=Negative impact, 3=No impact, 4=Positive impact, 5=Very positive impact

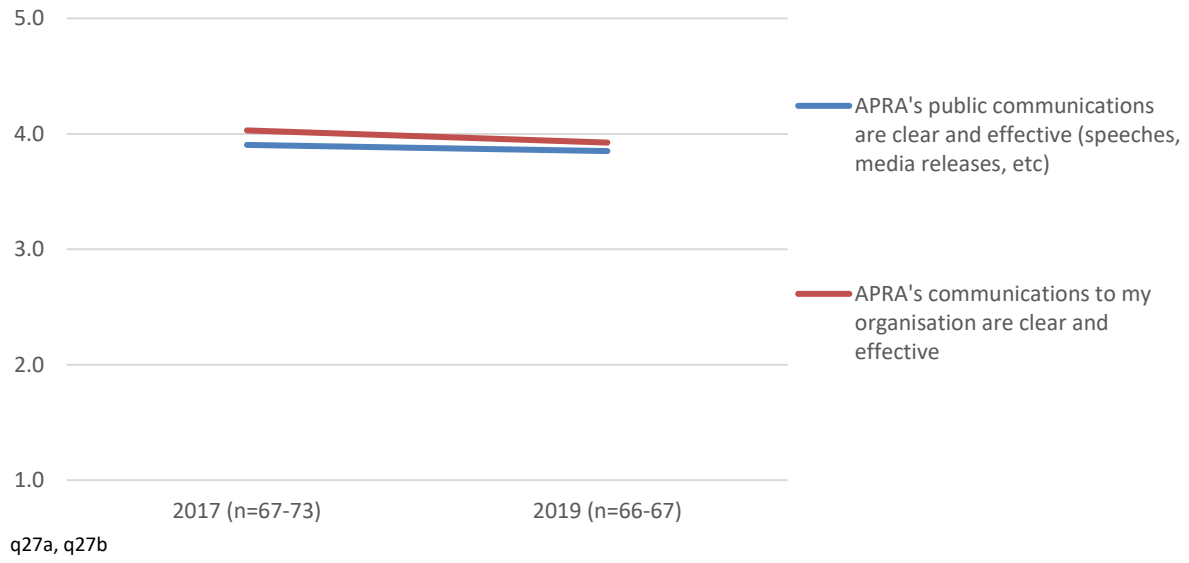


q19a

Usefulness and reliability of statistical publications

Mean comparison over time

Scale legend: 1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly agree



C. Knowledgeable Observer 2017 comparison⁶

The table below compares the means for each question repeated in the KO survey in 2019 from 2017. Statistically significant results are highlighted.

Knowledgeable observer comparison to 2017 report Statistically significant differences highlighted yellow		2019 mean (n=21-70)	2017 mean (n=59-80)	Difference
Prudential framework				
q2a. APRA's prudential framework is effective in achieving APRA's mission		4.1	4.1	0.0
q2b. APRA's harmonisation of the prudential framework across its regulated industries is important for your entity		3.7	-	N/A
q2c. The alignment of APRA's prudential standards with international best practice standards for your industry is important		4.1	-	N/A
q2d. APRA's prudential standards clearly communicate requirements		4.0	3.9	0.1
q2e. Changes to APRA's prudential framework sufficiently consider the costs of regulation imposed on industry		3.0	3.1	-0.1
q2f. APRA's prudential standards are based on principles rather than detailed prescription		3.7	3.8	-0.1
Usefulness of APRA guidance				
How useful is the guidance that your entity receives about the prudential framework from...*	q7ai. Interactions with APRA staff (non-supervisory)	3.6	3.4	0.2
	q7b. APRA's Prudential Practice Guides	3.9	3.9	0.0
	q7c. APRA's letters to your industry	3.5	3.4	0.1
	q7d. Speeches by senior APRA representatives	3.1	3.0	0.1
	q7e. Other information on APRA's website, such as policy papers and FAQs	3.5	3.4	0.1
Consultation processes				
q8a. APRA sufficiently considers issues relevant to industry and other stakeholders when developing its prudential standards and guidance material		3.7	3.7	0.0
q8b. APRA provides sufficient opportunity for consultation with industry about proposed changes to prudential standards and guidance material		3.9	4.0	-0.1
q8c. APRA's consultation packages are readily understood		3.8	3.9	0.0
q8d. APRA's consultation packages provide a good base for consultation with industry		3.9	3.9	0.0
q8e. APRA communicates clearly during consultation with industry about proposed changes to prudential standards and guidance materials		3.8	4.0	-0.2
Dealings with APRA				
To what extent do APRA staff demonstrate the APRA values?#	q14a. Integrity	3.4	3.6	-0.2
	q14b. Collaboration	2.8	3.2	-0.3
	q14c. Respect	3.3	-	N/A
	q14d. Excellence	2.7	-	N/A
	q14e. Accountability	2.8	3.1	-0.3

⁶ All 'don't know' response categories have been excluded from the calculation of means

Knowledgeable observer comparison to 2017 report		2019 mean	2017 mean	Difference
Statistically significant differences highlighted yellow		(n=21-70)	(n=59-80)	
Supervisory activities				
APRA meets its stated approach of...	q15a. Being forward looking in its supervision	3.7	3.7	-0.1
	q15b. Being primarily risk-based in its supervision	3.8	3.9	-0.1
	q15c. Being consultative in its supervision	3.8	3.9	-0.1
	q15d. Being consistent in its supervision	3.4	3.7	-0.3
	q15e. Supervising in line with international best practice	3.9	4.0	-0.1
Usefulness and reliability of statistical publications				
	q19a. What impact has APRA's enforcement of its prudential requirements had on your industry?^	3.9	4.0	-0.2
	q19d. What impact has APRA's increased focus on risk culture had on your industry?^	3.9	-	N/A
How useful are each of the following statistical publications for your organisation?*	q24a. ADI: Points of Presence	2.4	2.6	-0.2
	q24b. Quarterly Authorised Deposit-taking Institution Performance	3.0	3.1	-0.1
	q24c. Quarterly Authorised Deposit-taking Institution Property Exposure	2.7	2.9	-0.2
	q24d. Monthly Banking Statistics	2.9	3.1	-0.2
	q24e. General Insurance Institution-level Statistics	3.1	3.4	-0.3
	q24f. Intermediated General Insurance Statistics	2.8	3.0	-0.2
	q24g. General Insurance: National Claims and Policy Database Statistical Reports	2.9	3.1	-0.3
	q24h. General Insurance Claims Development Statistics	3.0	3.5	-0.5
	q24i. Quarterly General Insurance Performance Statistics	2.9	-	N/A
	q24j. Annual Friendly Society Bulletin	2.0	2.5	-0.5
	q24k. Quarterly Life Insurance Performance Statistics	2.7	3.6	-0.9
	q24l. Life Insurance Institution-level Statistics	2.9	3.7	-0.9
	q24m. Life Insurance Supplementary Statistical Tables	2.8	3.7	-0.8
	q24n. Annual Superannuation Bulletin	3.0	3.4	-0.5
	q24o. Quarterly Superannuation Performance Statistics	2.9	3.2	-0.3
	q24p. Annual Fund-level Superannuation	2.9	3.4	-0.5
	q24q. Annual MySuper Statistics	2.7	3.2	-0.5
	q24r. Quarterly MySuper Statistics	2.8	3.0	-0.2
	q24s. Private Health Insurance Quarterly statistics	2.9	3.3	-0.4
	q24t. Private Health Insurance Membership and Coverage	2.9	3.3	-0.4
q24u. Medical Gap	2.3	3.2	-0.8	
q24v. Medical Services	2.2	3.3	-1.1	
q24w. Private Health Insurance Membership and Benefits	2.8	3.4	-0.6	

Knowledgeable observer comparison to 2017 report Statistically significant differences highlighted yellow	2019 mean (n=21-70)	2017 mean (n=59-80)	Difference
q24x. Prostheses	2.3	3.3	-1.0
q24y. Private Health Insurance Statistical Trends	2.9	3.5	-0.6
q24z. Annual Coverage Survey	2.8	3.3	-0.6
q24aa. Operations of Private Health Insurers Annual Report	3.0	3.5	-0.5
q24bb. Risk Equalisation Annual	2.4	3.4	-1.0
q27a. APRA's public communications are clear and effective (speeches, media releases, etc)	3.9	3.9	-0.1
q27b. APRA's communications to my organisation are clear and effective	3.9	4.0	-0.1

Yellow and bold indicates statistically significant difference ($p < 0.05$). The method used was a Welch T test assuming unequal variances.

Scale legend:

* 1=Not useful at all, 2=Slightly useful, 3=Moderately useful, 4=Very useful, 5=Extremely useful

^ 1=Very negative impact, 2=Negative impact, 3=No impact, 4=Positive impact, 5=Very positive impact

1 = Never demonstrate, 2=Demonstrate to some extent, 3=Demonstrate to a significant extent, 4=Always demonstrate

All others: 1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly agree

D. Knowledgeable Observer (KO) means comparison table to Regulated Entity (RE)⁷

The tables in this section compare the mean scores on items completed in 2019 by both REs and KOs. Statistically significant differences between the two audiences are highlighted. Due to the relatively small KO sample size, relatively few of the observed differences are statistically significant.

Knowledgeable observer vs regulated entity mean comparison		KO	RE	Difference
Statistically significant differences highlighted yellow		(n=21-70)	(n=39-280)	
Prudential framework				
q2a. APRA's prudential framework is effective in achieving APRA's mission		4.1	4.0	0.1
q2b. APRA's harmonisation of the prudential framework across its regulated industries is important for your entity		3.7	3.5	0.1
q2c. The alignment of APRA's prudential standards with international best practice standards for your industry is important		4.1	3.9	0.2
q2d. APRA's prudential standards clearly communicate requirements		4.0	3.8	0.1
q2e. Changes to APRA's prudential framework sufficiently consider the costs of regulation imposed on industry		3.0	2.9	0.0
Usefulness of APRA guidance				
How useful is the guidance that your entity receives about the prudential framework from...*	q7b. APRA's Prudential Practice Guides	3.9	3.9	0.0
	q7c. APRA's letters to your entity	3.5	3.7	-0.2
	q7d. Speeches by senior APRA representatives	3.1	3.4	-0.3
	q7e. Other information on APRA's website, such as policy papers and FAQs	3.5	3.4	0.1
Consultation processes				
q8a. APRA sufficiently considers issues relevant to industry and other stakeholders when developing its prudential standards and guidance material		3.7	3.6	0.1
q8b. APRA provides sufficient opportunity for consultation with industry about proposed changes to prudential standards and guidance material		3.9	3.9	0.0
q8c. APRA's consultation packages are readily understood		3.8	3.9	-0.1
q8d. APRA's consultation packages provide a good base for consultation with industry		3.9	3.9	0.0
q8e. APRA communicates clearly during consultation with industry about proposed changes to prudential standards and guidance materials		3.8	3.9	-0.1
Dealings with APRA				
To what extent do APRA staff demonstrate the APRA values?*	q14a. Integrity	3.4	3.7	-0.3
	q14b. Collaboration	2.8	3.3	-0.5
	q14c. Respect	3.3	3.6	-0.3
	q14d. Excellence	2.7	3.2	-0.5
	q14e. Accountability	2.8	3.3	-0.5
Supervisory activities				
APRA meets its stated approach of...	q15a. Being forward looking in its supervision	3.7	3.8	-0.2
	q15b. Being primarily risk-based in its supervision	3.8	4.1	-0.3
	q15c. Being consultative in its supervision	3.8	4.0	-0.2

⁷ All 'don't know' response categories have been excluded from the calculation of means

Knowledgeable observer vs regulated entity mean comparison		KO	RE	Difference
Statistically significant differences highlighted yellow		(n=21-70)	(n=39-280)	
	q15d. Being consistent in its supervision	3.4	3.8	-0.4
	q15e. Supervising in line with international best practice	3.9	3.9	0.0
q19a.	What impact has APRA's enforcement of its prudential requirements had on your industry?	3.9	3.9	0.0
q19d.	What impact has APRA's increased focus on risk culture had on your entity?	3.9	4.0	-0.1
Usefulness and reliability of statistical publications				
	q24a. ADI: Points of Presence	2.4	2.6	-0.2
	q24b. Quarterly Authorised Deposit-taking Institution Performance	3.0	3.2	-0.2
	q24c. Quarterly Authorised Deposit-taking Institution Property Exposure	2.7	3.1	-0.4
	q24d. Monthly Banking Statistics	2.9	3.3	-0.4
	q24e. General Insurance Institution-level Statistics	3.1	3.0	0.1
	q24f. Intermediated General Insurance Statistics	2.8	2.7	0.1
	q24g. General Insurance: National Claims and Policy Database Statistical Reports	2.9	2.8	0.1
	q24h. General Insurance Claims Development Statistics	3.0	2.9	0.1
	q24i. Quarterly General Insurance Performance Statistics	2.9	2.9	0.0
	q24j. Annual Friendly Society Bulletin	2.0	1.8	0.2
	q24k. Quarterly Life Insurance Performance Statistics	2.7	2.9	-0.2
How useful have each of the following statistical publications been for your entity in the last 12 months?*	q24l. Life Insurance Institution-level Statistics	2.9	2.9	0.0
	q24m. Life Insurance Supplementary Statistical Tables	2.8	2.7	0.2
	q24n. Annual Superannuation Bulletin	3.0	3.1	-0.1
	q24o. Quarterly Superannuation Performance Statistics	2.9	3.1	-0.2
	q24p. Annual Fund-level Superannuation	2.9	3.1	-0.1
	q24q. Annual MySuper Statistics	2.7	3.1	-0.4
	q24r. Quarterly MySuper Statistics	2.8	3.0	-0.2
	q24s. Private Health Insurance Quarterly statistics	2.9	2.7	0.1
	q24t. Private Health Insurance Membership and Coverage	2.9	2.8	0.0
	q24u. Medical Gap	2.3	2.4	0.0
	q24v. Medical Services	2.2	2.3	0.0
	q24w. Private Health Insurance Membership and Benefits	2.8	2.9	-0.1
	q24x. Prostheses	2.3	2.4	-0.1
	q24y. Private Health Insurance Statistical Trends	2.9	2.9	0.0
q24z. Annual Coverage Survey	2.8	2.8	-0.1	
q24aa. Operations of Private Health Insurers Annual Report	3.0	2.8	0.2	
q24bb. Risk Equalisation Annual	2.4	2.9	-0.5	
	q27a. APRA's public communications are clear and effective (e.g. speeches, media releases and website content)	3.9	4.1	-0.2

Knowledgeable observer vs regulated entity mean comparison Statistically significant differences highlighted yellow	KO (n=21-70)	RE (n=39-280)	Difference
q27b. APRA's communications to my entity are clear and effective	3.9	4.2	-0.3

Yellow and bold indicates statistically significant difference ($p < 0.05$)

Scale legend:

* 1=Not useful at all, 2=Slightly useful, 3=Moderately useful, 4=Very useful, 5=Extremely useful

* 1=Never demonstrate, 2=Demonstrate to some extent, 3=Demonstrate to a significant extent, 4=Always demonstrate

^ 1=Very negative impact, 2=Negative impact, 3=No impact, 4=Positive impact, 5=Very positive impact

1=Not reliable at all, 2=Slightly reliable, 3=Moderately reliable, 4=Very reliable, 5=Extremely reliable

All others: 1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly agree