

Australian Prudential Regulation Authority

# 2017 Stakeholder Survey Report

October 2017

Melbourne Canberra Sydney  
[www.orima.com](http://www.orima.com)



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Conducted in accordance with AS ISO 20252 quality standard

Australian Government Statistical Clearing House Approval Number: 02021-04

# I. Background and Methodology

The Australian Prudential Regulation Authority (APRA) has conducted biennial stakeholder surveys since 2009. After the first three surveys of Regulated Entities (REs), Knowledgeable Observers (KOs) and Directors were also surveyed in the 2015 edition. The survey conducted in May and June 2017 included both REs and KOs.

The 2017 survey was conducted online. Following an introductory email from the APRA Chair, 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 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 2017 survey were 69% for REs with at least one representative invited to participate, and 27% for the KOs. Both of these final figures were slightly higher than the equivalent 2015 survey response rates (53% and 21% respectively).

The questionnaire used for the 2017 survey was mostly identical 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 positive options.

Because there were only minor modifications to the questionnaire and none to the fundamental data collection methodology, the existing approval number from the Australian Bureau of Statistics Statistical Clearing House (SCH) was used.

## II. Key Results and Conclusions

Across the first four editions of the Australian Prudential Regulation Authority (APRA) biennial stakeholder survey the **results have been consistently strong, and this continues to be the case in 2017**. While some results do show slight variations from previous surveys, in general terms the 2017 results are mostly steady on previous surveys and, with few exceptions, remain moderately to very strong.

Other than in the higher level impact indicators, Regulated Entities (REs) are generally a little more positive towards APRA and its activities than are Knowledgeable Observers (KOs).

At a headline level, both REs and KOs almost universally believe that APRA's supervision and enforcement of prudential requirements is benefiting the Australian community and their industry.

	REs	KOs
<i>APRA's supervision of your industry helps protect the financial well-being of the Australian community</i>	95%	97%
<i>APRA's supervision of the financial services sector benefits your industry in general</i>	91%	96%
<i>APRA's enforcement of its prudential requirements has a positive or very positive impact on your industry</i>	85%	84%

There is also a strong view that APRA's activities have had a positive effect on risk management practices (94%), risk culture (87%) and financial management (67%) of individual entities.

Both **REs and KOs have a mostly positive view of APRA's key supervisory activity**. 92% of REs and 87% of KOs agree APRA effectively enforces its prudential requirements, and 87% of REs agree that supervision of their entity is consistent with APRA's mission. 88% of REs feel that supervision focusses on the biggest risks, and 77% feel that the effort required of their entity during reviews is appropriate.

Most REs (73%) and KOs (81%) agree that in its supervision of the industry APRA balances pursuit of financial safety with considerations of its impact on the industry. However, only 23% of REs and 32% of KOs agree that "*changes to APRA's prudential framework sufficiently consider the costs of regulation imposed on the industry*".

Stakeholders generally agree that APRA staff significantly demonstrate the **organisation's core values**, and this was an aspect of the survey results where REs were very consistently more positive than KOs.

	Integrity	Professionalism	Collaboration	Accountability	Foresight
REs / KOs	96% / 82%	94% / 80%	82% / 68%	79% / 69%	71% / 57%

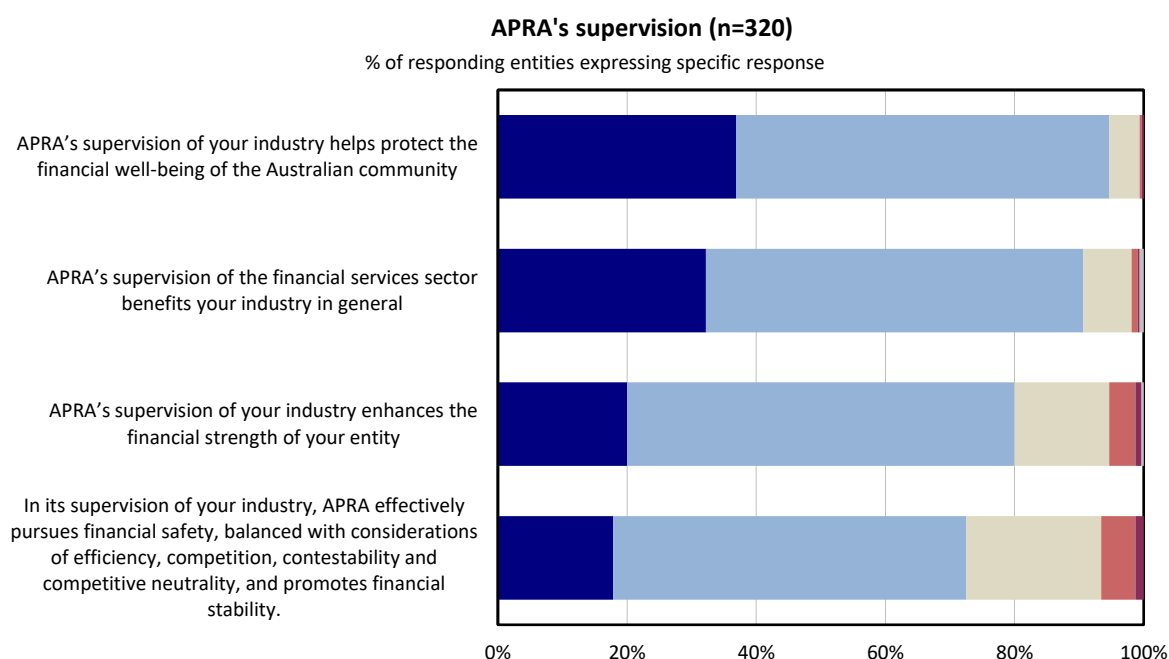
While the results of the survey are generally strongly positive and there are very few facets where outright low ratings were observed, in any survey there are always areas rated *relatively* lower than others. One of the key challenges for APRA is to maintain its current effective strategies and practices to ensure the stakeholder survey results remain so strong, but these areas of relatively lower results also represent **opportunities to make further gains**.

Aspects where relatively lower results were seen either at a stakeholder-wide level or from particular segments of stakeholders include consistency of supervision, perceptions of appropriate seniority and skills of supervision team, being forward looking, being aligned with international best practice, helping entities to develop contingencies, and in terms of APRA's more 'operational communications'.

### 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

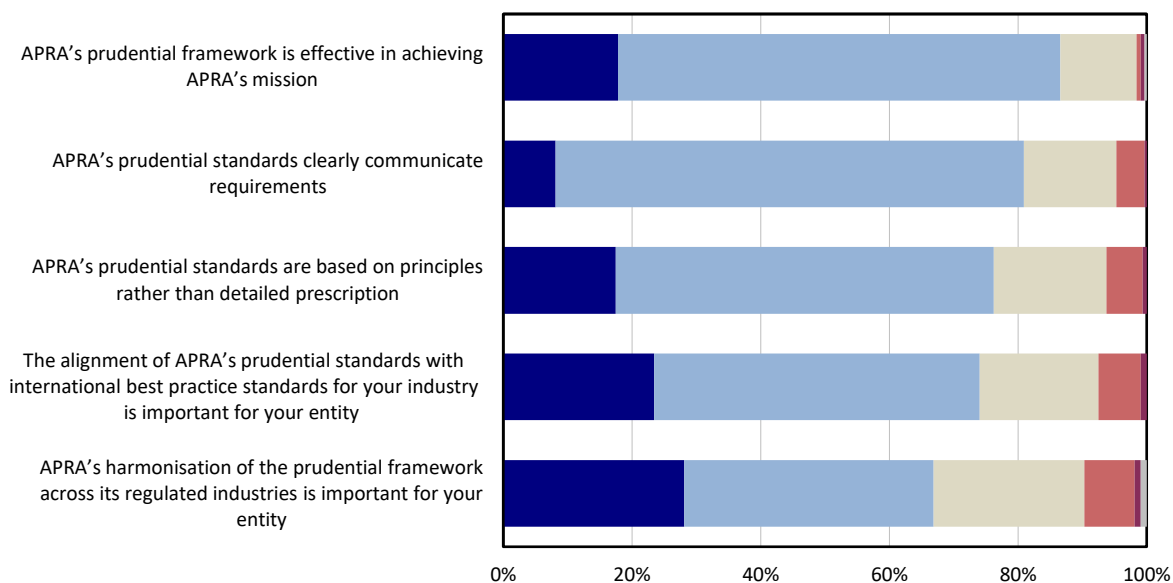


	In its supervision of your industry, APRA effectively pursues financial safety, balanced with considerations of efficiency, competition, contestability and competitive neutrality, and promotes financial stability.	APRA's supervision of your industry enhances the financial strength of your entity	APRA's 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	18%	20%	32%	37%
Agree	55%	60%	58%	58%
Neutral	21%	15%	8%	5%
Disagree	5%	4%	1%	0%
Strongly disagree	1%	1%	0%	0%
Don't know	0%	0%	1%	0%
Top 2 score	73%	80%	91%	95%
Mean	3.8	3.9	4.2	4.3

q1c, q1a, q1b, q1d.

### Prudential framework (n=320)

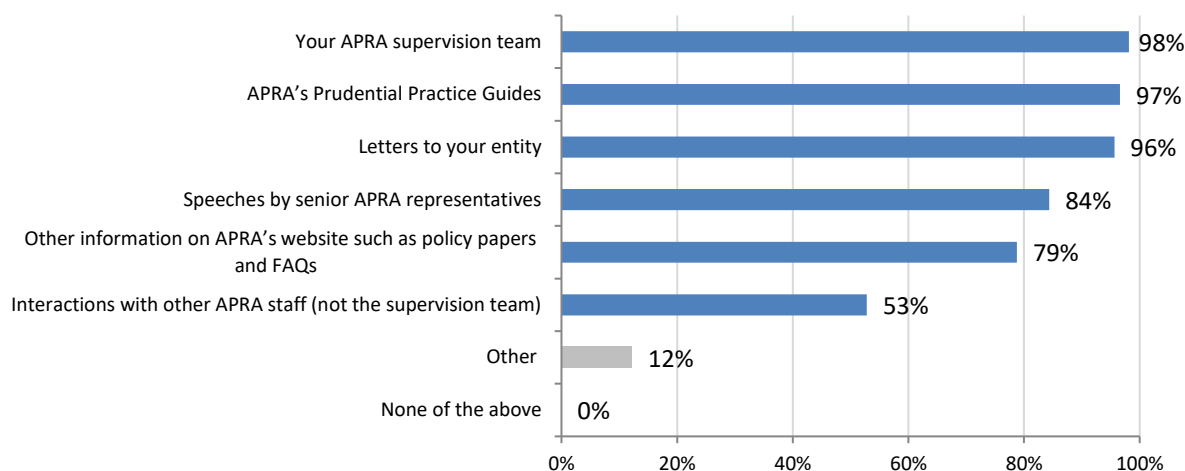
% of responding entities expressing specific response



	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 for your entity	APRA's prudential standards are based on principles rather than detailed prescription	APRA's prudential standards clearly communicate requirements	APRA's prudential framework is effective in achieving APRA's mission
■ Strongly agree	28%	23%	18%	8%	18%
■ Agree	39%	51%	59%	73%	69%
■ Neutral	23%	18%	18%	14%	12%
■ Disagree	8%	7%	6%	4%	1%
■ Strongly disagree	1%	1%	1%	0%	1%
■ Don't know	1%	0%	0%	0%	0%
Top 2 score	67%	74%	76%	81%	87%
Mean	3.9	3.9	3.9	3.8	4.0

q2a, q3b, q3a, q2c, q2b.

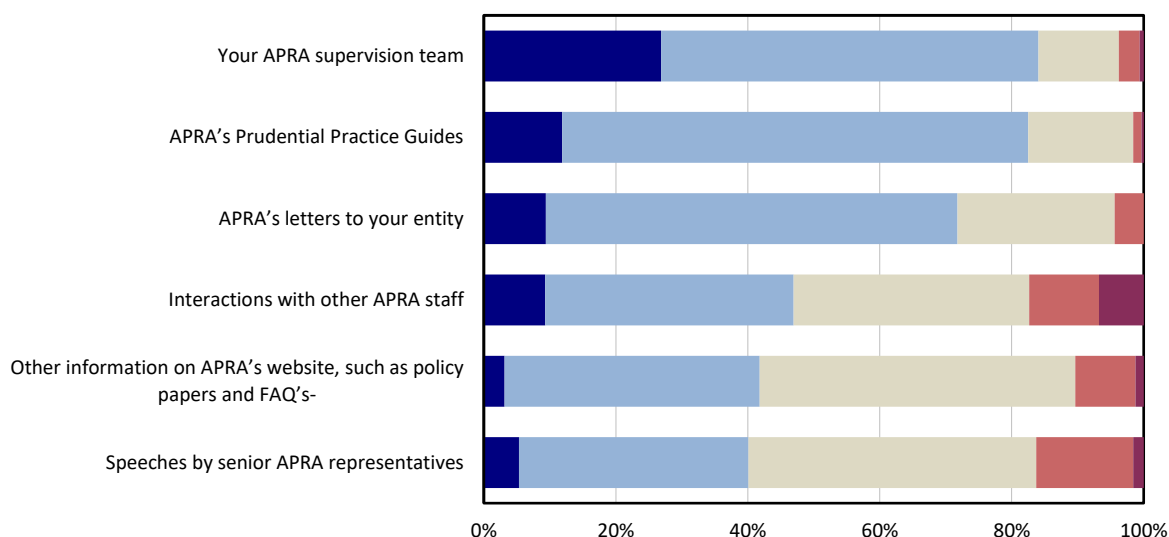
**Sources of guidance organisation has used in past 12 months (Multiple Response)**  
(n=320)



q7.

**Usefulness of guidance (n=311-320)**

% of responding entities expressing specific response

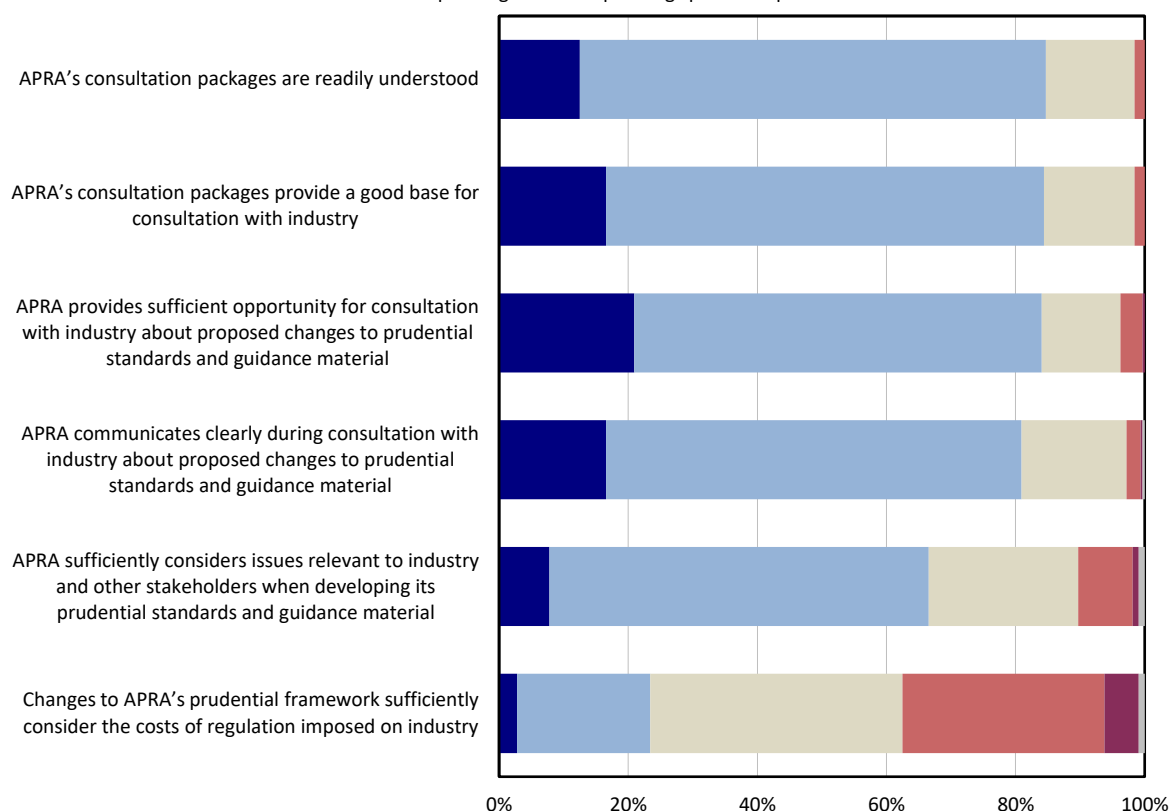


	Speeches by senior APRA representatives	Other information on APRA's website, such as policy papers and FAQ's-	Interactions with other APRA staff	APRA's letters to your entity	APRA's Prudential Practice Guides	Your APRA supervision team
■ Extremely useful	5%	3%	9%	9%	12%	27%
■ Very useful	35%	39%	38%	62%	71%	57%
■ Moderately useful	44%	48%	36%	24%	16%	12%
■ Slightly useful	15%	9%	11%	4%	1%	3%
■ Not useful at all	2%	1%	7%	0%	0%	1%
Top 2 score	40%	42%	47%	72%	83%	84%
Mean	3.3	3.3	3.3	3.8	3.9	4.1

q8a, q8c, q8d, q8b, q8f, q8e.

### Consultation processes (n=320)

'% of responding entities expressing specific response



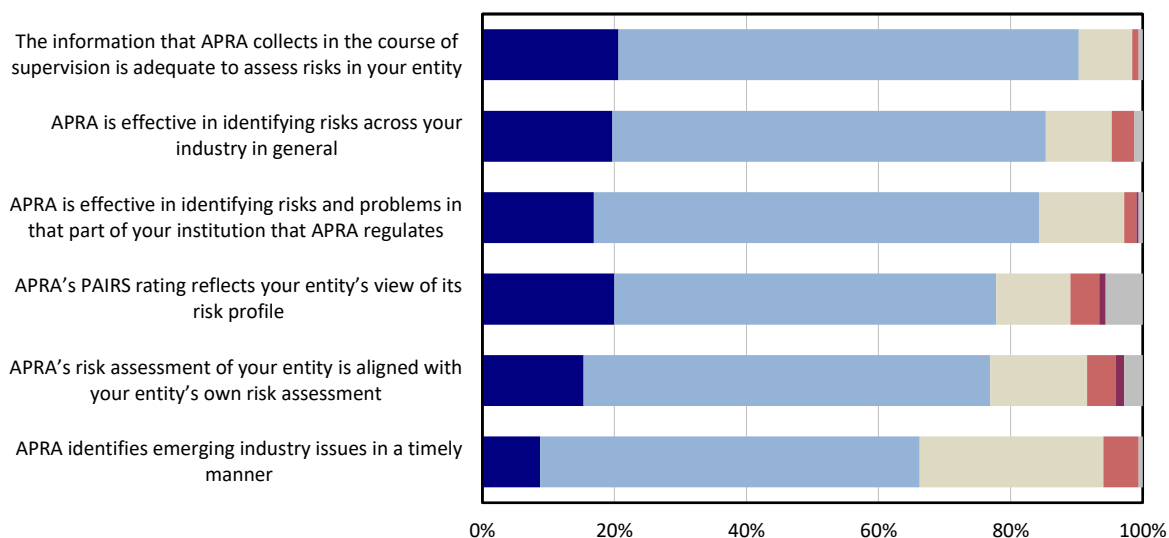
	Changes to APRA's prudential framework sufficiently consider the costs of regulation imposed on industry	APRA sufficiently considers issues relevant to industry and other stakeholders when developing its prudential standards and guidance material	APRA communicates clearly during consultation with industry about proposed changes to prudential standards and guidance material	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	APRA's consultation packages are readily understood
■ Strongly agree	3%	8%	17%	21%	17%	13%
■ Agree	21%	59%	64%	63%	68%	72%
■ Neutral	39%	23%	16%	12%	14%	14%
■ Disagree	31%	8%	2%	3%	2%	2%
■ Strongly disagree	5%	1%	0%	0%	0%	0%
■ Don't know	1%	1%	0%	0%	0%	0%
Top 2 score	23%	67%	81%	84%	84%	85%
Mean	2.8	3.6	3.9	4.0	4.0	4.0

q9c, q9d, q9b, q9e, q9a, q9f.



### Risk assessments (n=320)

% of responding entities expressing specific response

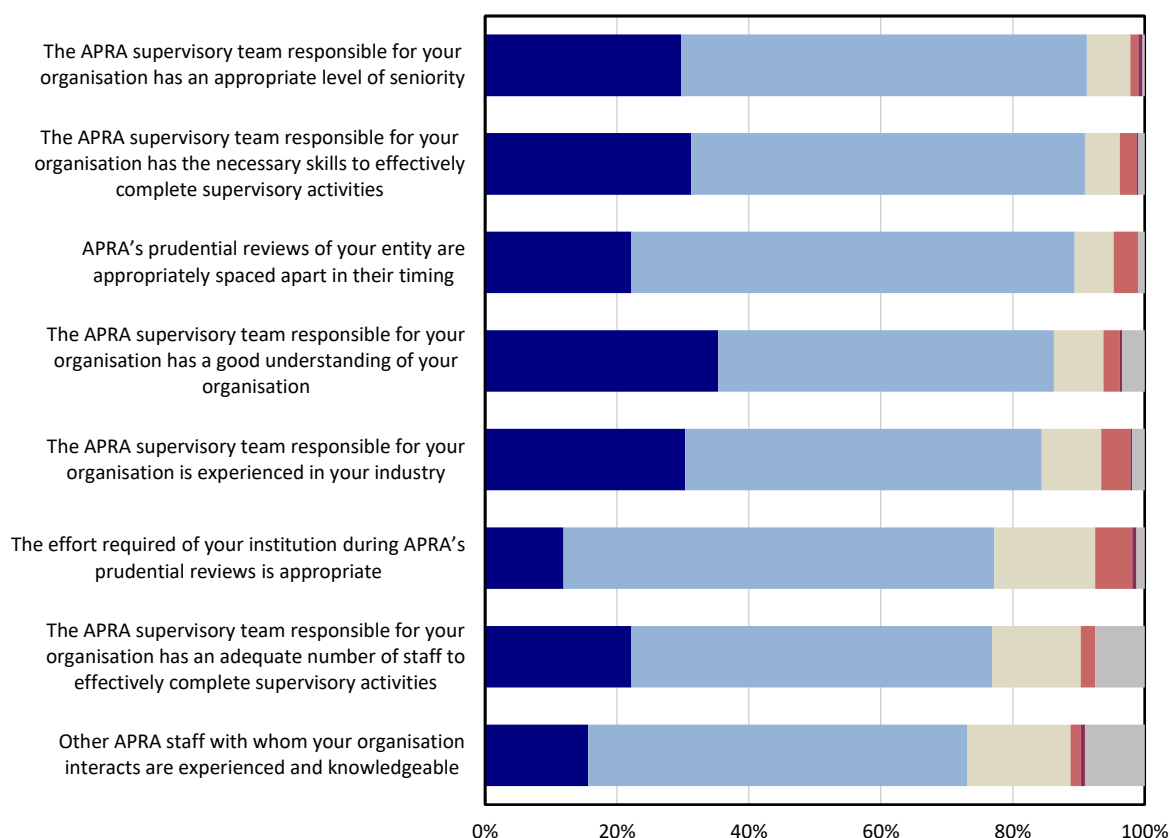


	APRA identifies emerging industry issues in a timely manner	APRA's risk assessment of your entity is aligned with your entity's own risk assessment	APRA's PAIRS rating reflects your entity's view of its risk profile	APRA is effective in identifying risks and problems in that part of your institution that APRA regulates	APRA is effective in identifying risks across your industry in general	The information that APRA collects in the course of supervision is adequate to assess risks in your entity
■ Strongly agree	9%	15%	20%	17%	20%	21%
■ Agree	58%	62%	58%	68%	66%	70%
■ Neutral	28%	15%	11%	13%	10%	8%
■ Disagree	5%	4%	4%	2%	3%	1%
■ Strongly disagree	0%	1%	1%	0%	0%	0%
■ Don't know	1%	3%	6%	1%	1%	1%
Top 2 score	66%	77%	78%	84%	85%	90%
Mean	3.7	3.9	4.0	4.0	4.0	4.1

q11c, q11e, q11d, q11b, q11a, q11f.

### Dealings with APRA (n=320)

% of responding entities expressing specific response

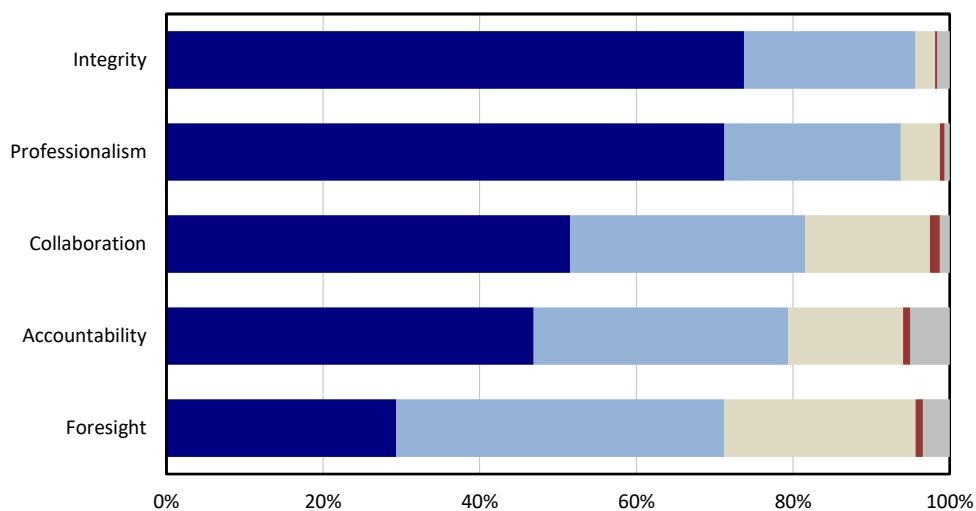


	Other APRA staff with whom your organisation interacts are experienced and knowledgeable	The APRA supervisory team responsible for your organisation has an adequate number of staff to effectively complete supervisory activities	The effort required of your institution during APRA's prudential reviews is appropriate	The APRA supervisory team responsible for your organisation is experienced in your industry	The APRA supervisory team responsible for your organisation has a good understanding of your organisation	APRA's prudential reviews of your entity are appropriately spaced apart in their timing	The APRA supervisory team responsible for your organisation has the necessary skills to effectively complete supervisory activities	The APRA supervisory team responsible for your organisation has an appropriate level of seniority
Strongly agree	16%	22%	12%	30%	35%	22%	31%	30%
Agree	58%	55%	65%	54%	51%	67%	60%	62%
Neutral	16%	13%	15%	9%	8%	6%	5%	7%
Disagree	2%	2%	6%	4%	3%	4%	3%	1%
Strongly disagree	1%	0%	1%	0%	0%	0%	0%	1%
Don't know	9%	8%	1%	2%	3%	1%	1%	0%
Top 2 score	73%	77%	77%	84%	86%	89%	91%	91%
Mean	3.9	4.0	3.8	4.1	4.2	4.1	4.2	4.2

q13c, q13d, q14b, q13a, q13b, q14c, q13e, q14a.

**To what extent do APRA staff demonstrate the APRA values? (n=320)**

% of responding entities expressing specific response

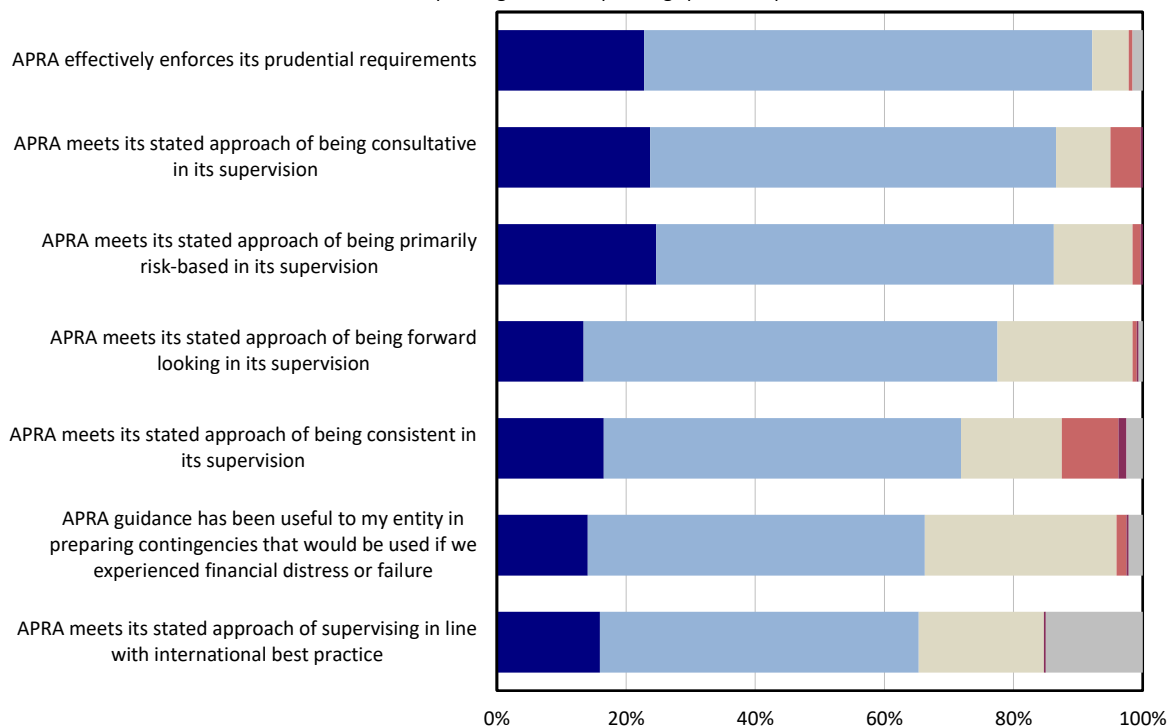


	Foresight	Accountability	Collaboration	Professionalism	Integrity
Always demonstrate	29%	47%	52%	71%	74%
Demonstrate to a significant extent	42%	33%	30%	23%	22%
Demonstrate to some extent	24%	15%	16%	5%	3%
Never demonstrate	1%	1%	1%	1%	0%
Don't know	3%	5%	1%	1%	2%
Top 2 score	71%	79%	82%	94%	96%
Mean	3.0	3.3	3.3	3.7	3.7

q15a, q15c, q15b, q15e, q15d.

### Supervisory activities (A) (n=320)

% of responding entities expressing specific response

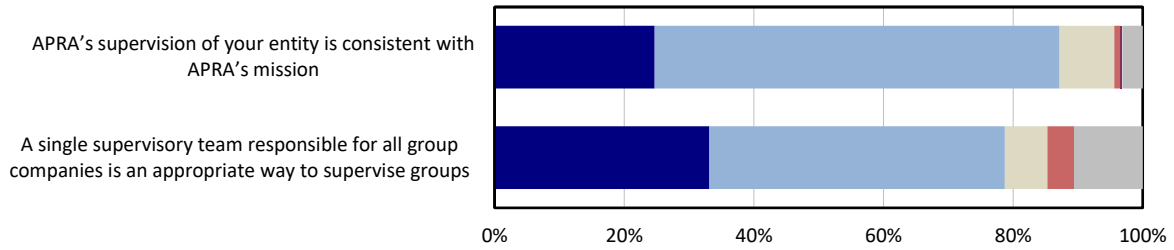


	APRA meets its stated approach of supervising in line with international best practice	APRA guidance has been useful to my entity in preparing contingencies that would be used if we experienced financial distress or failure	APRA meets its stated approach of being consistent in its supervision	APRA meets its stated approach of being forward looking in its supervision	APRA meets its stated approach of being primarily risk-based in its supervision	APRA meets its stated approach of being consultative in its supervision	APRA effectively enforces its prudential requirements
Strongly agree	16%	14%	17%	13%	25%	24%	23%
Agree	49%	52%	55%	64%	62%	63%	69%
Neutral	19%	30%	16%	21%	12%	8%	6%
Disagree	0%	2%	9%	1%	1%	5%	1%
Strongly disagree	0%	0%	1%	0%	0%	0%	0%
Don't know	15%	2%	3%	1%	0%	0%	2%
Top 2 score	65%	66%	72%	78%	86%	87%	92%
Mean	3.9	3.8	3.8	3.9	4.1	4.1	4.2

q19a, q16ic, q16ib, q16ia, q16id, q19b, q16ie.

**Supervisory activities (B) (n=320)**

% of responding entities expressing specific response

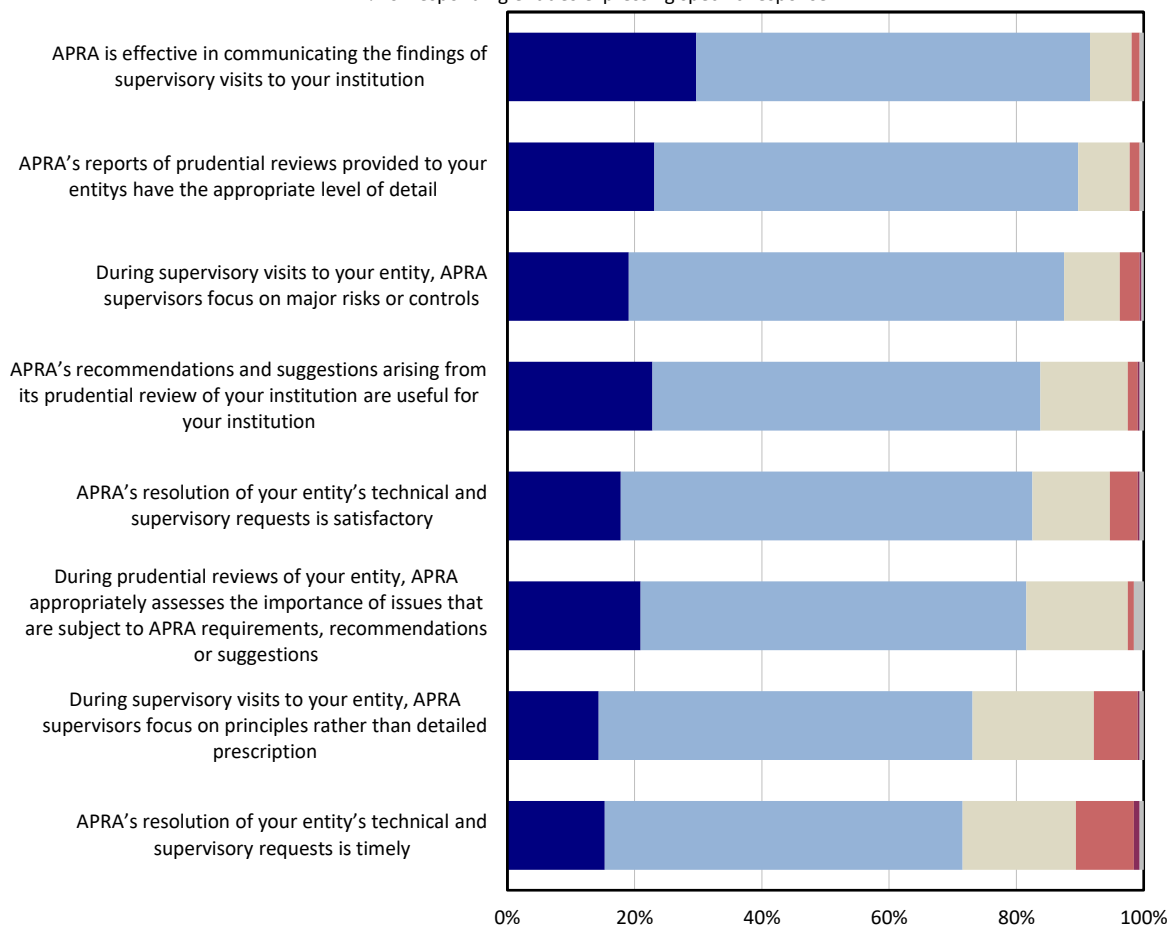


	A single supervisory team responsible for all group companies is an appropriate way to supervise groups	APRA's supervision of your entity is consistent with APRA's mission
■ Strongly agree	33%	25%
■ Agree	46%	63%
■ Neutral	7%	8%
■ Disagree	4%	1%
■ Strongly disagree	0%	0%
■ Don't know	11%	3%
Top 2 score	79%	87%
Mean	4.2	4.1

q16iif, q16iig.

**Supervisory activities (C) (n=320)**

% of responding entities expressing specific response

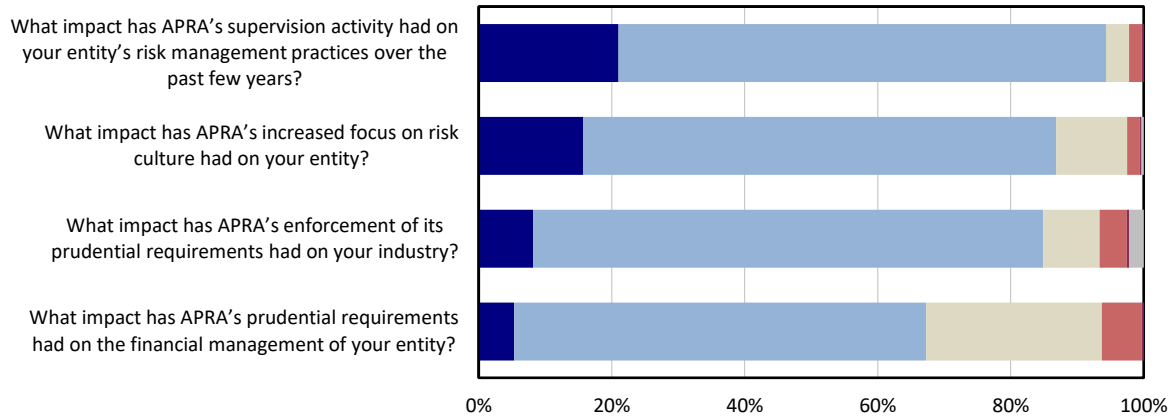


	APRA's resolution of your entity's technical and supervisory requests is timely	During supervisory visits to your entity, APRA supervisors focus on principles rather than detailed prescription	During prudential reviews of your entity, APRA appropriately assesses the importance of issues that are subject to APRA requirements, recommendations or suggestions	APRA's resolution of your entity's technical and supervisory requests is satisfactory	APRA's recommendations and suggestions arising from its prudential review of your institution are useful for your institution	During supervisory visits to your entity, APRA supervisors focus on major risks or controls	APRA's reports of prudential reviews provided to your entities have the appropriate level of detail	APRA is effective in communicating the findings of supervisory visits to your institution
Strongly agree	15%	14%	21%	18%	23%	19%	23%	30%
Agree	56%	59%	61%	65%	61%	68%	67%	62%
Neutral	18%	19%	16%	12%	14%	9%	8%	7%
Disagree	9%	7%	1%	4%	2%	3%	2%	1%
Strongly disagree	1%	0%	0%	0%	0%	0%	0%	0%
Don't know	1%	1%	2%	1%	1%	0%	1%	1%
Top 2 score	72%	73%	82%	83%	84%	88%	90%	92%
Mean	3.8	3.8	4.0	4.0	4.1	4.0	4.1	4.2

q18d, q18f, q18b, q18e, q18g, q18c, q18a, q18h.

### Impact of APRA (n=318-319)

% of responding entities expressing specific response



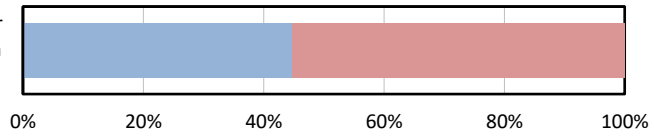
	What impact has APRA's prudential requirements had on the financial management of your entity?	What impact has APRA's enforcement of its prudential requirements had on your industry?	What impact has APRA's increased focus on risk culture had on your entity?	What impact has APRA's supervision activity had on your entity's risk management practices over the past few years?
Very positive impact	5%	8%	16%	21%
Positive impact	62%	77%	71%	73%
No impact	26%	8%	11%	3%
Negative impact	6%	4%	2%	2%
Very negative impact	0%	0%	0%	0%
Don't know	0%	2%	0%	0%
Top 2 score	67%	85%	87%	94%
Mean	3.7	3.9	4.0	4.1

q21b, q21d, q21a, q21c.

**Exemptions and variations (n=320)**

% 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?



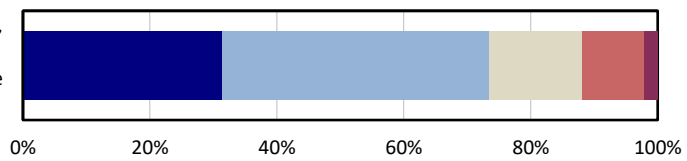
	Have you requested an approval under, exemption from or variation to a prudential standard or reporting standard in the past 12 months?
■ Yes	45%
■ No	55%

q23.

**Exemptions and variations (n=143)**

% 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? (Only asked if requested in the past 12 months)



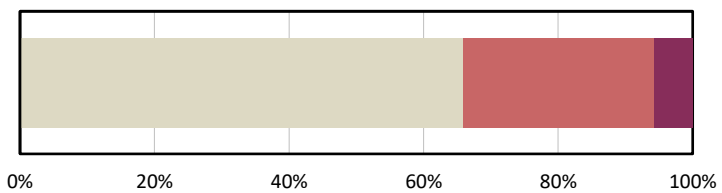
	Considering the process rather than the APRA decision, how did APRA handle your request for approval, variation or exemption? (Only asked if requested in the past 12 months)
■ Very well	31%
■ Well	42%
■ Neutral	15%
■ Poorly	10%
■ Very poorly	2%
■ Don't know	0%
Top 2 score	73%
Mean	3.9

q24@ filtered by respondents who answered 'Yes' to q23.

**Data collections (n=320)**

% of responding entities expressing specific response

The amount of statistical data collected by APRA in order to supervise your entity is..?



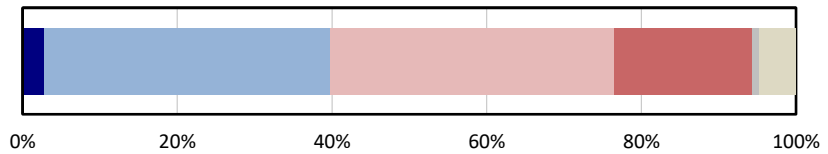
	The amount of statistical data collected by APRA in order to supervise your entity is..?
■ Far too little	0%
■ Too little	0%
■ About right	66%
■ Too much	28%
■ Far too much	6%

q25.



**In the past 12 months, how useful has your entity found the articles in APRA Insight?  
(n=320)**

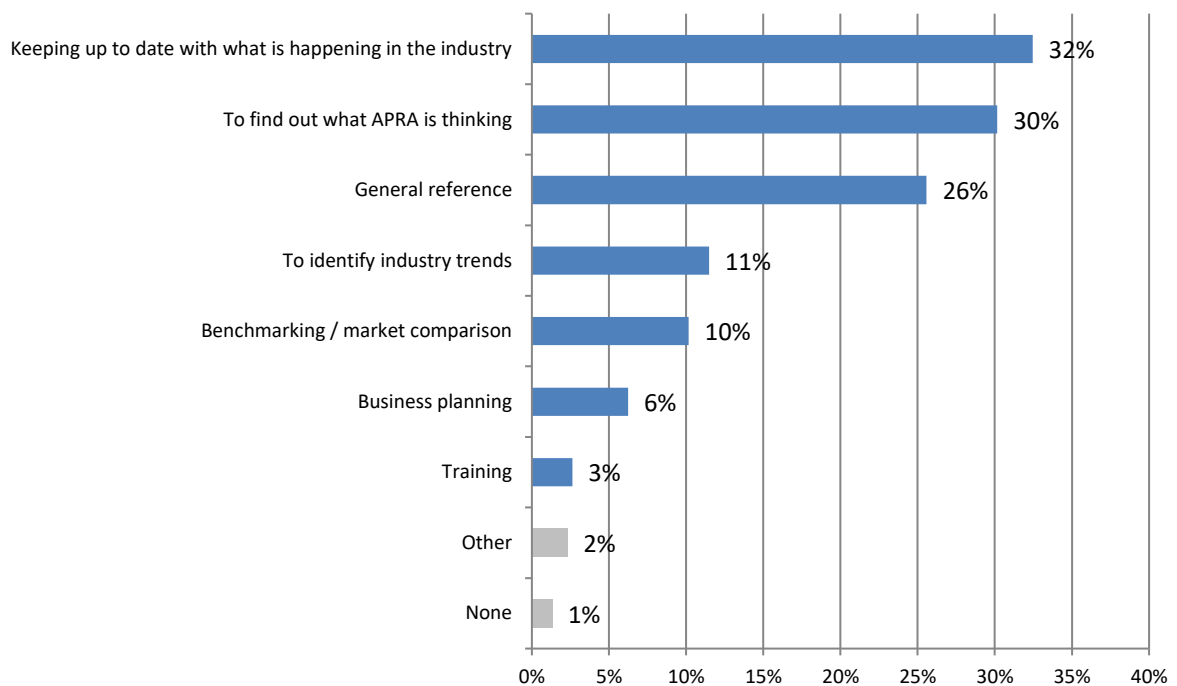
% of responding entities expressing specific response



Extremely useful	3%
Very useful	37%
Moderately useful	37%
Slightly useful	18%
Don't know	1%
Have not used in the past 12 months	5%
Top 2 score	40%
Mean	3.3

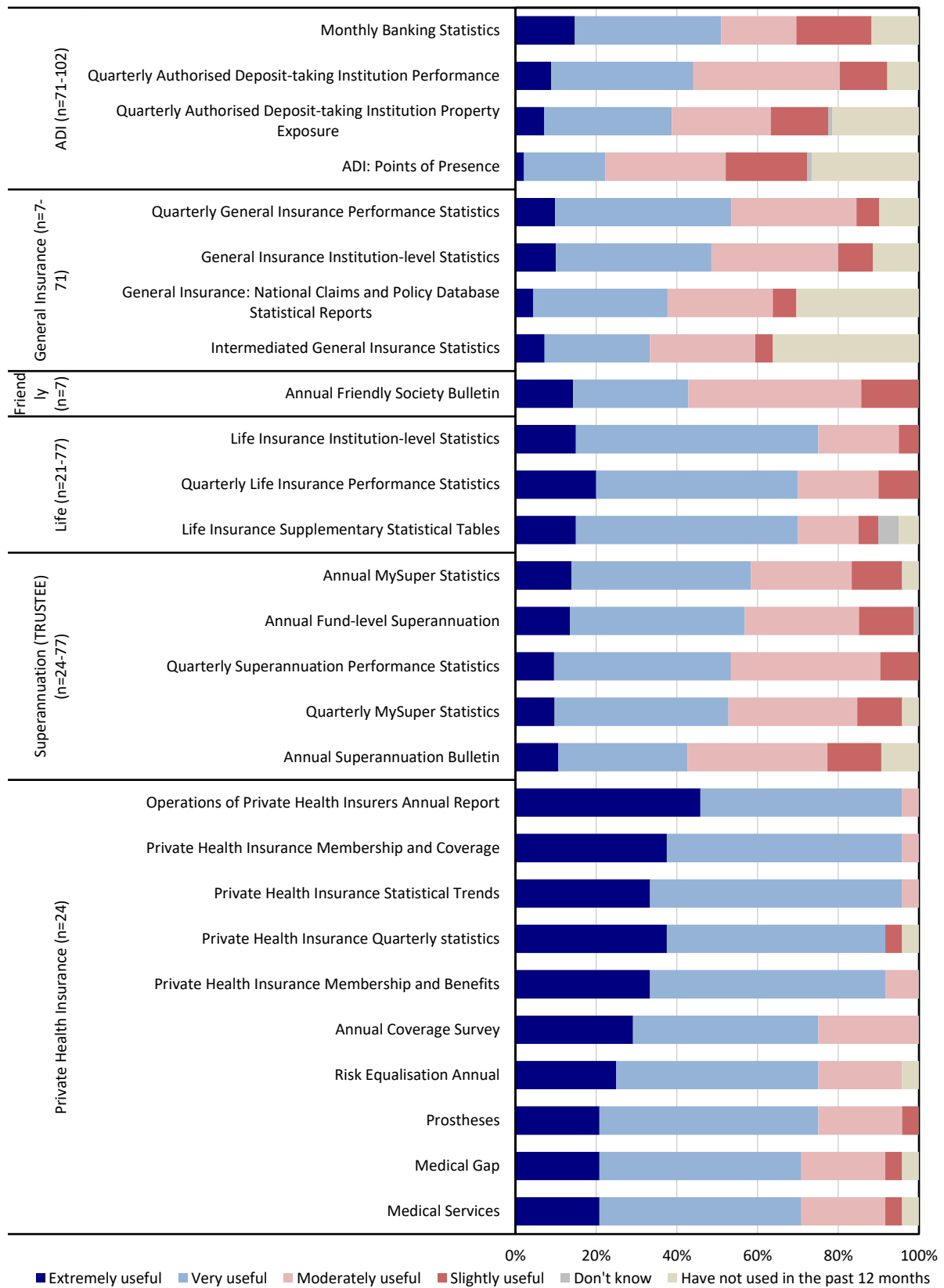
q28.

**For what purpose/s does your entity use APRA Insight? (Multiple Response\*)(Not asked if entity did not use APRA insight articles in past 12 months in q28) (n=305)**



q29. \*This question was asked as a single response question. 'Other' responses sometimes contained multiple themes. These were back-coded into multiple pre-codes. Comparison with data from past waves is not recommended.

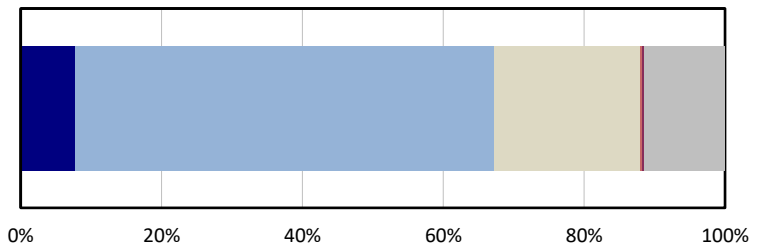
**Statistical publications split by relevant industry**  
 % of relevant entities expressing specific response



q30a-aa filtered only for respondents in relevant industry.

**Reliability (Only asked to respondents who used a publication in q30a-aa)(n=308)**  
 % of responding entities expressing specific response

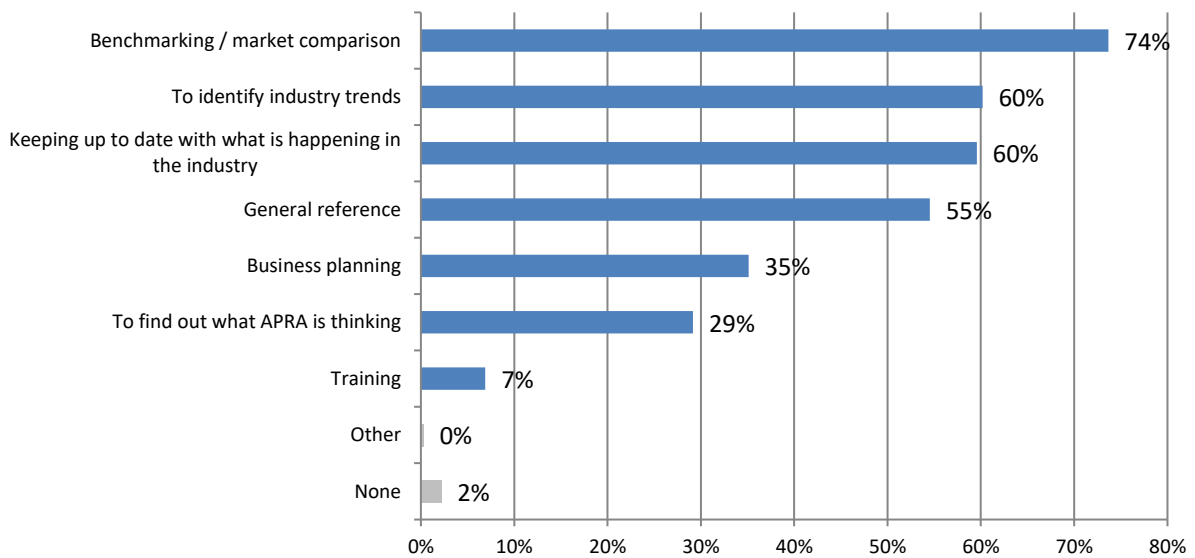
You mentioned that your entity has used the following APRA publications in the last 12 months. Overall, how reliable has the data/information in these publications been in the last 12 months?



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	8%
Very reliable	59%
Moderately reliable	21%
Slightly reliable	0%
Not reliable at all	0%
Don't know	11%
Top 2 score	67%
Mean	3.8

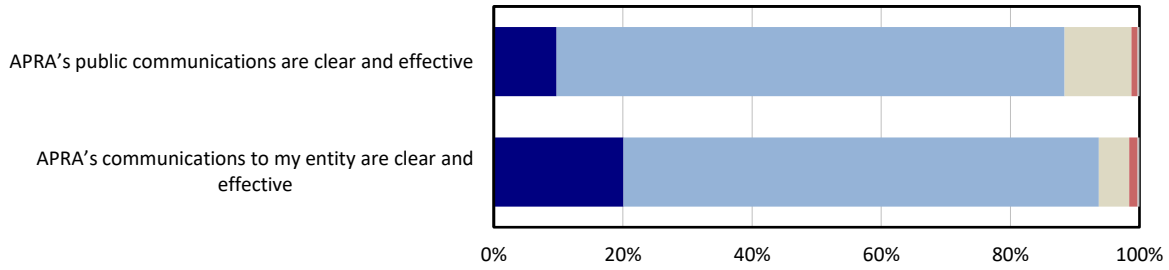
q31.

**For what purpose/s does your entity use APRA statistical publications? (Multiple Response) (n=319)**



q33.

**Communications (n=319)**  
 % of responding entities expressing specific response

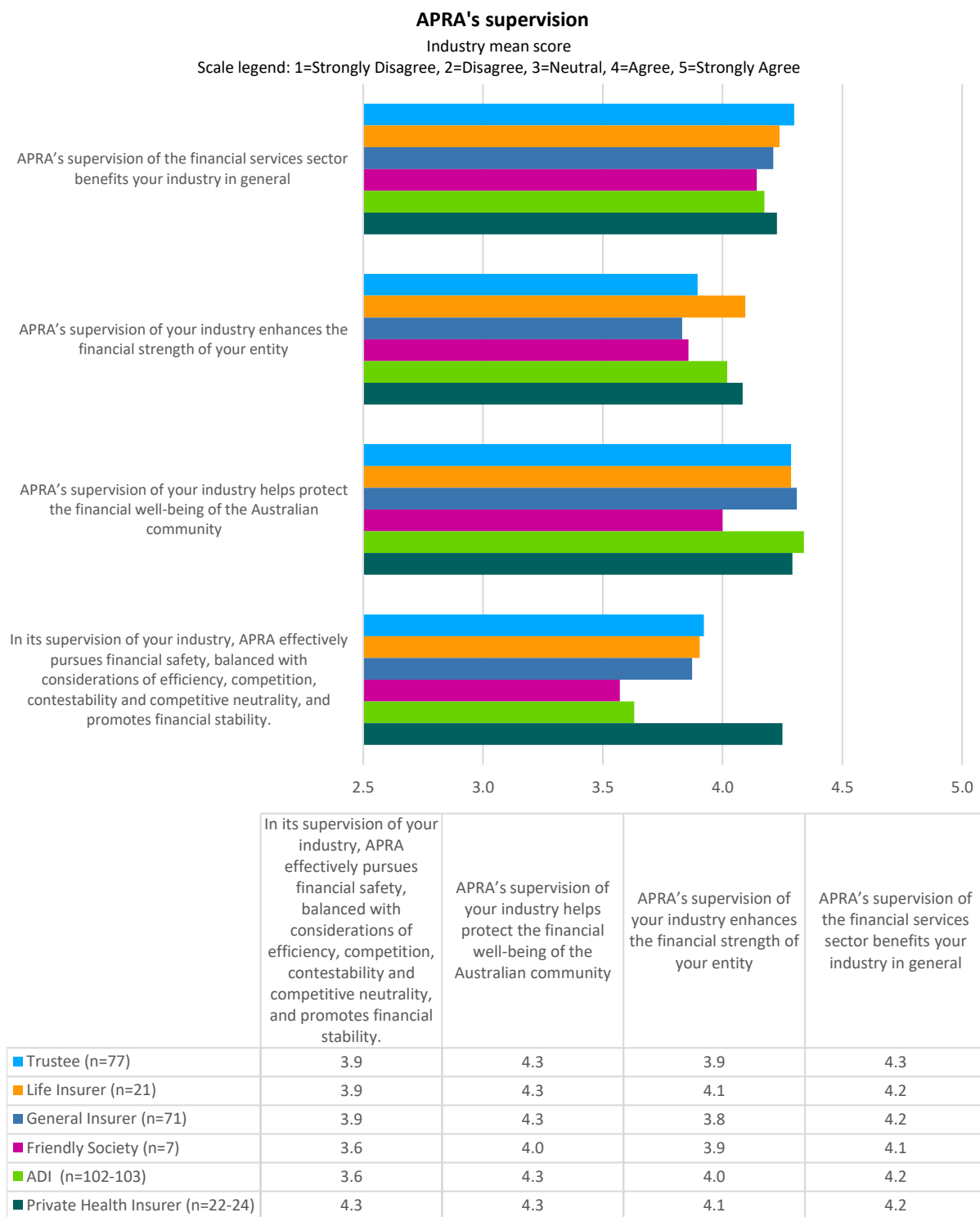


	APRA's communications to my entity are clear and effective	APRA's public communications are clear and effective
■ Strongly agree	20%	10%
■ Agree	74%	79%
■ Neutral	5%	10%
■ Disagree	1%	1%
■ Strongly disagree	0%	0%
■ Don't know	0%	0%
Top 2 score	94%	88%
Mean	4.1	4.0

q34a, q34b.

## B. Regulated Entity means comparison charts by industry

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=7), results have only been shown for questions where all 7 Friendly Society respondents provided a response.

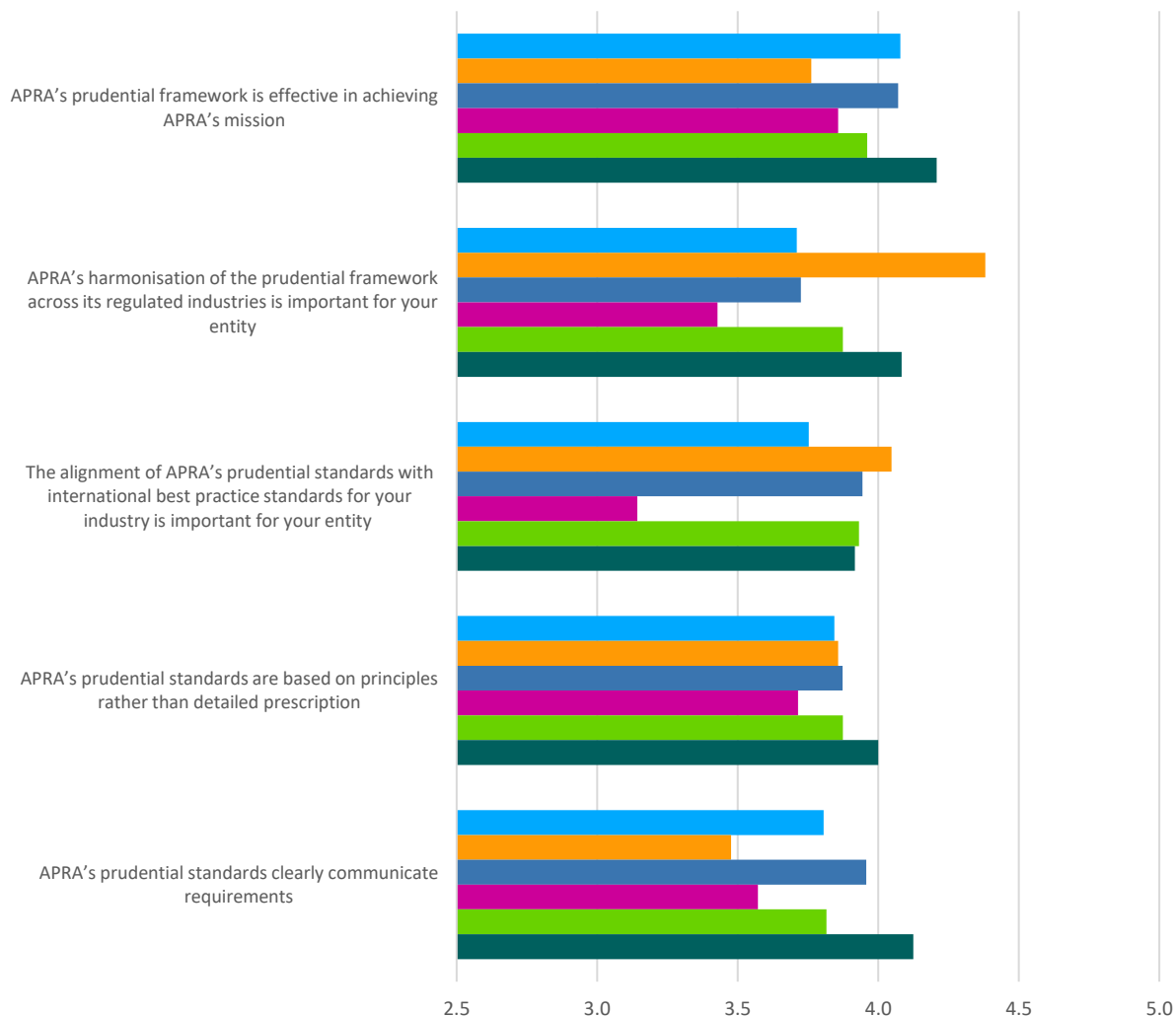


q1a, q1b, q1c, q1d.

**Prudential framework**

Industry mean score

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



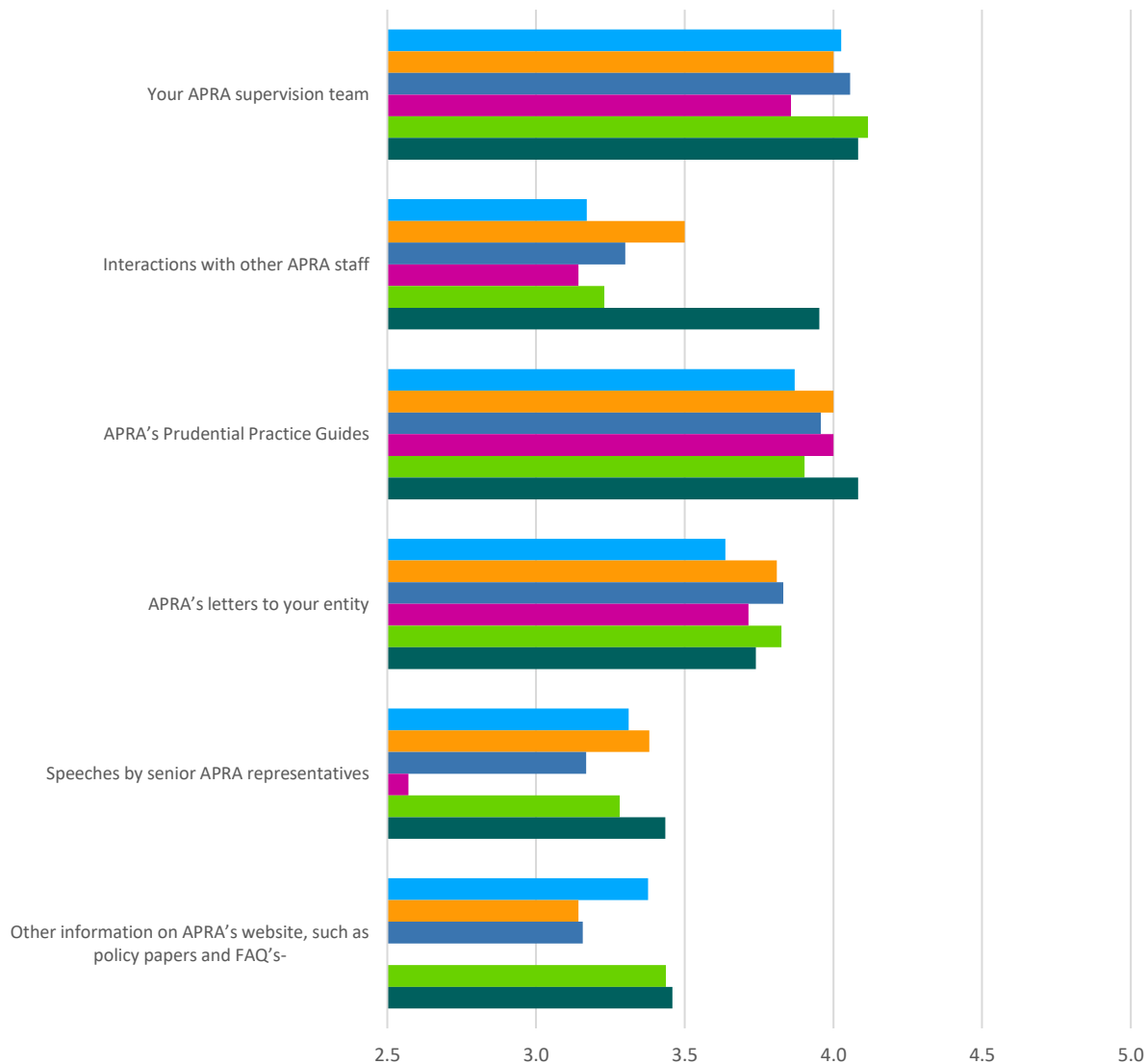
	APRA's prudential standards clearly communicate requirements	APRA's prudential standards are based on principles rather than detailed prescription	The alignment of APRA's prudential standards with international best practice standards for your industry is important for your entity	APRA's harmonisation of the prudential framework across its regulated industries is important for your entity	APRA's prudential framework is effective in achieving APRA's mission
Trustee (n=76-77)	3.8	3.8	3.8	3.7	4.1
Life Insurer (n=21)	3.5	3.9	4.0	4.4	3.8
General Insurer (n=69-71)	4.0	3.9	3.9	3.7	4.1
Friendly Society (n=7)	3.6	3.7	3.1	3.4	3.9
ADI (n=103)	3.8	3.9	3.9	3.9	4.0
Private Health Insurer (n=24)	4.1	4.0	3.9	4.1	4.2

q2a, q2b, q2c, q3a, q3b.

**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 FAQ's-	Speeches by senior APRA representatives	APRA's letters to your entity	APRA's Prudential Practice Guides	Interactions with other APRA staff	Your APRA supervision team
Trustee (n=76-77)	3.4	3.3	3.6	3.9	3.2	4.0
Life Insurer (n=20-21)	3.1	3.4	3.8	4.0	3.5	4.0
General Insurer (n=70-71)	3.2	3.2	3.8	4.0	3.3	4.1
Friendly Society (n=7)*		2.6	3.7	4.0	3.1	3.9
ADI (n=100-103)	3.4	3.3	3.8	3.9	3.2	4.1
Private Health Insurer (n=21-24)	3.5	3.4	3.7	4.1	4.0	4.1

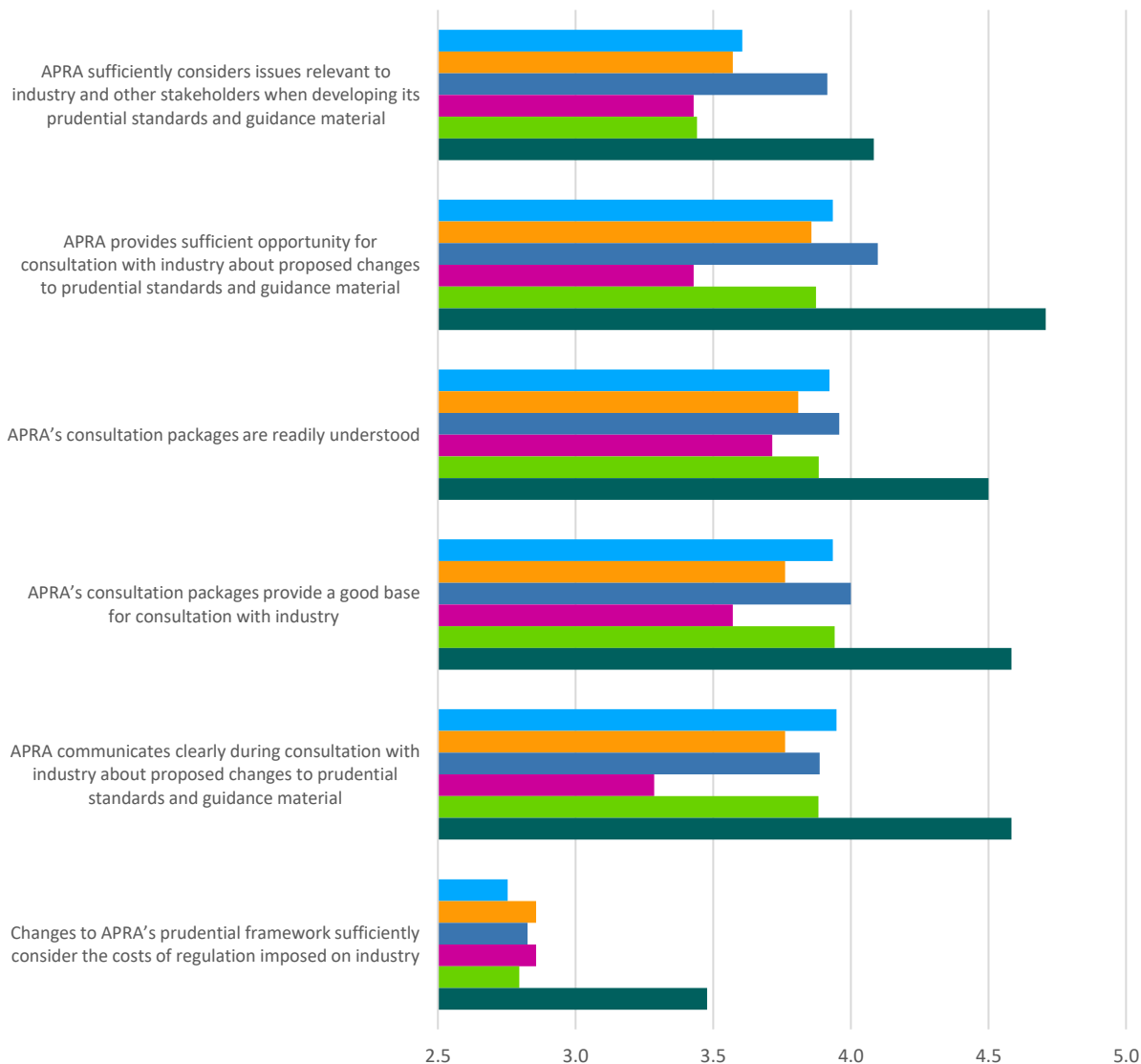
q8a, q8b, q8c, q8d, q8e, q8f.

\*Blank cells indicate sub-sample size was less than 10 (or less than 7 for Friendly Society).

**Consultation process**

Industry mean score

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



	Changes to APRA's prudential framework sufficiently consider the costs of regulation imposed on industry	APRA communicates clearly during consultation with industry about proposed changes to prudential standards and guidance material	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=76-77)	2.8	3.9	3.9	3.9	3.9	3.6
Life Insurer (n=21)	2.9	3.8	3.8	3.8	3.9	3.6
General Insurer (n=69-71)	2.8	3.9	4.0	4.0	4.1	3.9
Friendly Society (n=7)	2.9	3.3	3.6	3.7	3.4	3.4
ADI (n=102-103)	2.8	3.9	3.9	3.9	3.9	3.4
Private Health Insurer (n=23-24)	3.5	4.6	4.6	4.5	4.7	4.1

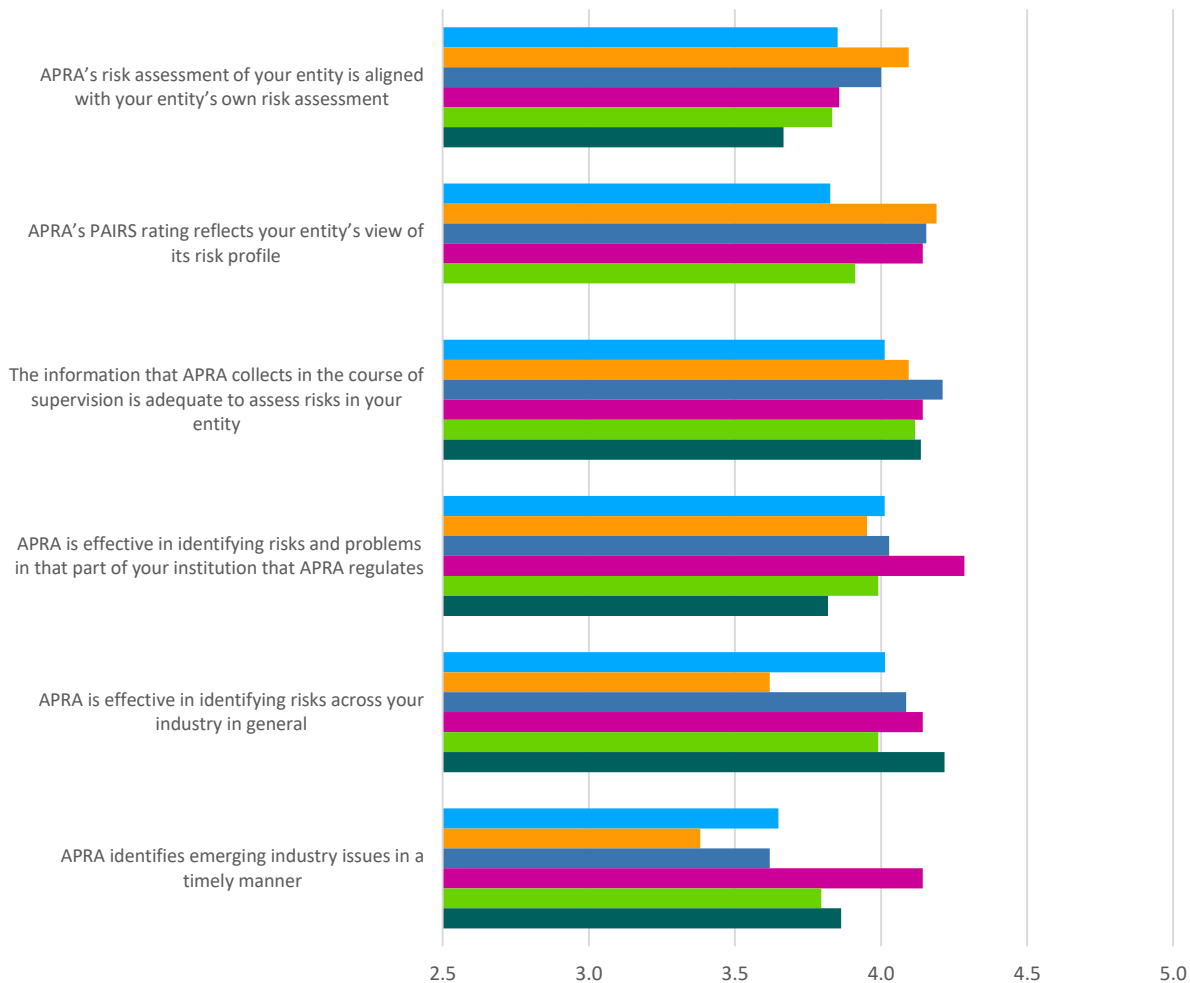
q9a, q9b, q9c, q9d, q9e, q9f.



### Risk assessments

Industry mean score

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



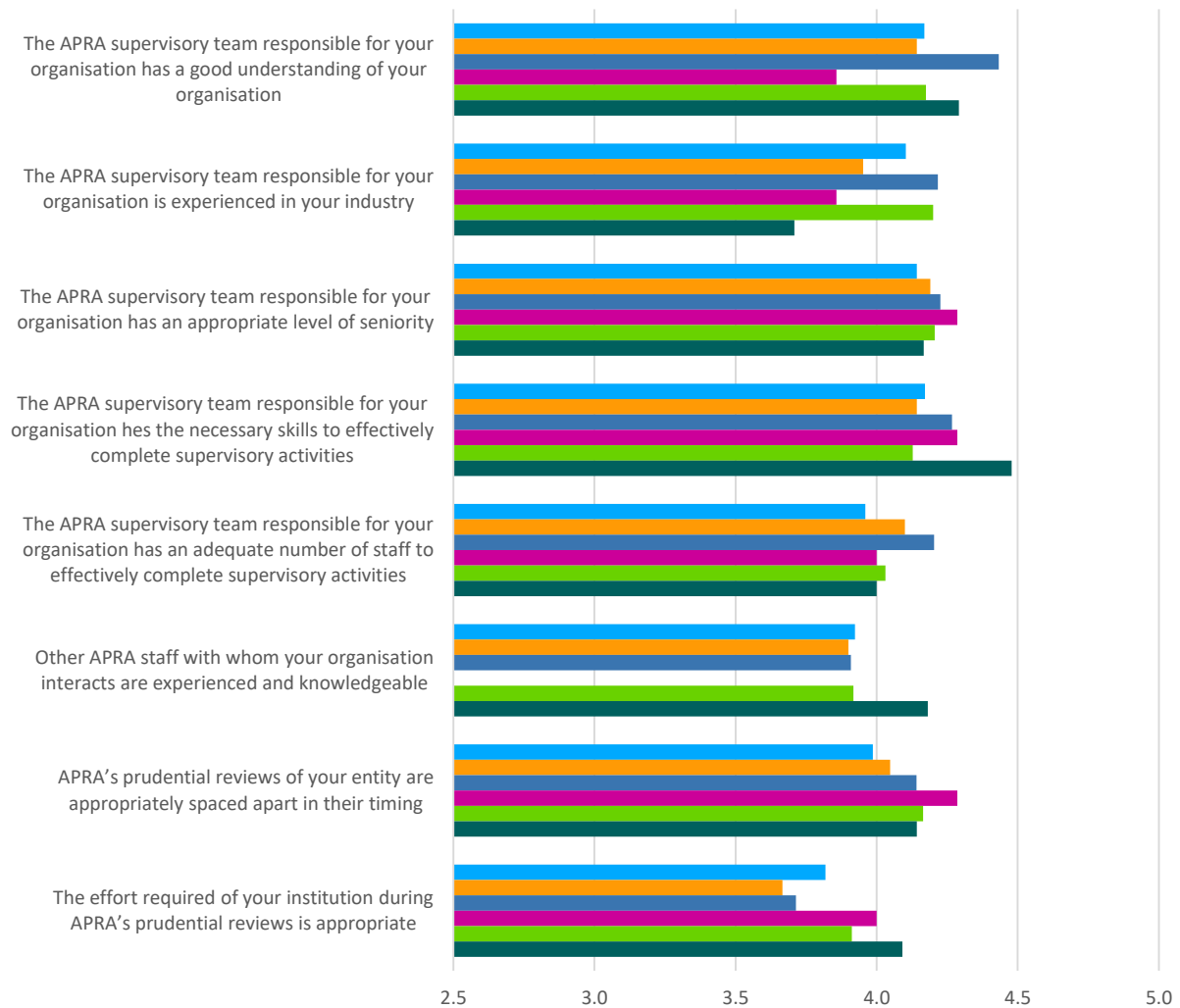
	APRA identifies emerging industry issues in a timely manner	APRA is effective in identifying risks across your industry in general	APRA is effective in identifying risks and problems in that part of your institution that APRA regulates	The information that APRA collects in the course of supervision is 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=74-77)	3.6	4.0	4.0	4.0	3.8	3.9
Life Insurer (n=21)	3.4	3.6	4.0	4.1	4.2	4.1
General Insurer (n=70-71)	3.6	4.1	4.0	4.2	4.2	4.0
Friendly Society (n=7)	4.1	4.1	4.3	4.1	4.1	3.9
ADI (n=102-103)	3.8	4.0	4.0	4.1	3.9	3.8
Private Health Insurer (n=21-23)*	3.9	4.2	3.8	4.1		

q11a, q11b, q11c, q11d, q11e, q11f.

\*Blank cells indicate sub-sample size was less than 10 (or less than 7 for Friendly Society).

### 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 institution 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	The APRA supervisory team responsible for your organisation has an adequate number of staff to effectively complete supervisory activities	The APRA supervisory team responsible for your organisation has the necessary skills to effectively complete supervisory activities	The APRA supervisory team responsible for your organisation has an appropriate level of seniority	The APRA supervisory team responsible for your organisation is experienced in your industry	The APRA supervisory team responsible for your organisation has a good understanding of your organisation
Trustee (n=65-77)	3.8	4.0	3.9	4.0	4.2	4.1	4.1	4.2
Life Insurer (n=20-21)	3.7	4.0	3.9	4.1	4.1	4.2	4.0	4.1
General Insurer (n=59-71)	3.7	4.1	3.9	4.2	4.3	4.2	4.2	4.4
Friendly Society (n=7)*	4.0	4.3		4.0	4.3	4.3	3.9	3.9
ADI (n=95-103)	3.9	4.2	3.9	4.0	4.1	4.2	4.2	4.2
Private Health Insurer (n=21-24)	4.1	4.1	4.2	4.0	4.5	4.2	3.7	4.3

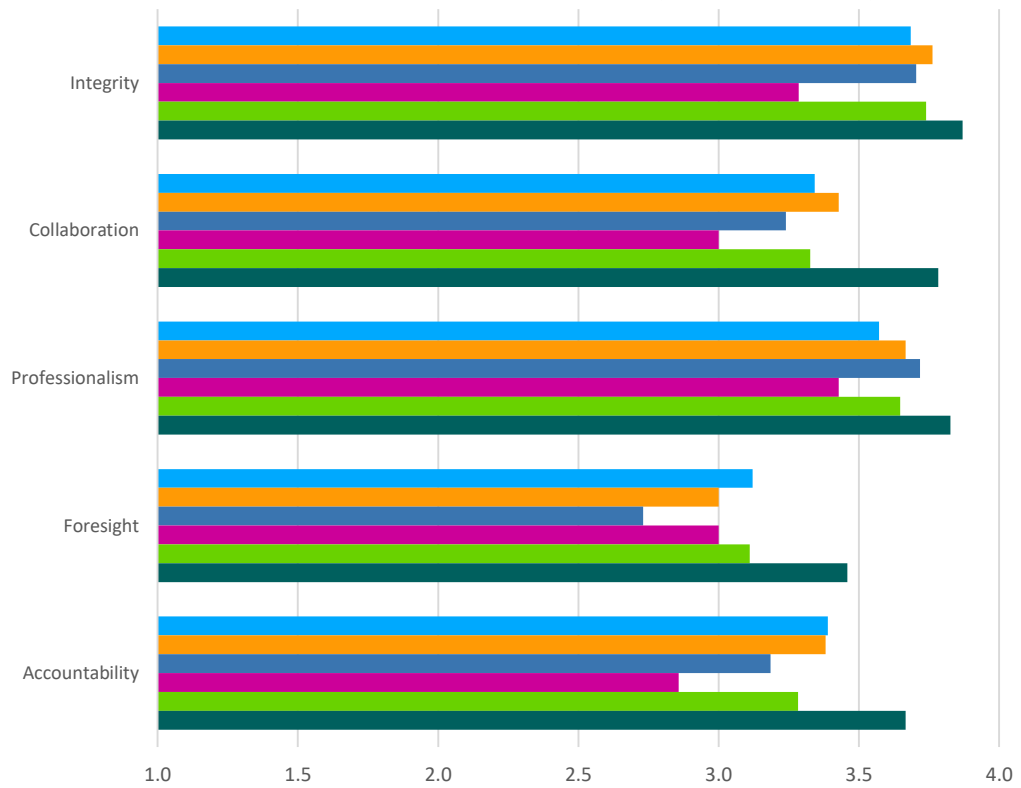
q13a, q13b, q13c, q13d, q13e, q14a, q14b, q14c.

\*Blank cells indicate sub-sample size was less than 10 (or less than 7 for Friendly Society).

### 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



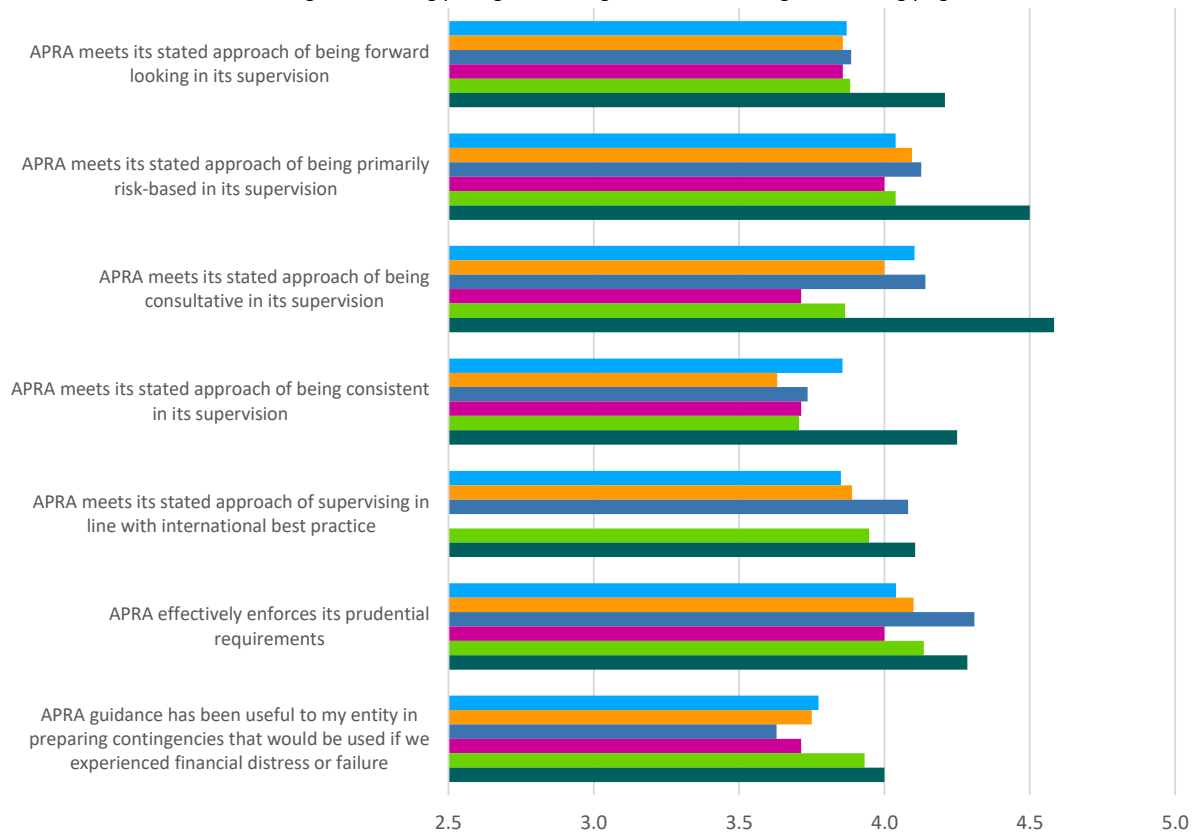
	Accountability	Foresight	Professionalism	Collaboration	Integrity
Trustee (n=72-77)	3.4	3.1	3.6	3.3	3.7
Life Insurer (n=21)	3.4	3.0	3.7	3.4	3.8
General Insurer (n=65-71)	3.2	2.7	3.7	3.2	3.7
Friendly Society (n=7)	2.9	3.0	3.4	3.0	3.3
ADI (n=99-102)	3.3	3.1	3.6	3.3	3.7
Private Health Insurer (n=23-24)	3.7	3.5	3.8	3.8	3.9

q16a, q16b, q16c, q16d, q16e.

**Supervisory activities (A)**

Industry mean score

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



	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 meets its stated approach of supervising in line with international best practice	APRA meets its stated approach of being consistent in its supervision	APRA meets its stated approach of being consultative in its supervision	APRA meets its stated approach of being primarily risk-based in its supervision	APRA meets its stated approach of being forward looking in its supervision
Trustee (n=60-77)	3.8	4.0	3.9	3.9	4.1	4.0	3.9
Life Insurer (n=18-21)	3.8	4.1	3.9	3.6	4.0	4.1	3.9
General Insurer (n=61-71)	3.6	4.3	4.1	3.7	4.1	4.1	3.9
Friendly Society (n=7)*	3.7	4.0		3.7	3.7	4.0	3.9
ADI (n=94-103)	3.9	4.1	3.9	3.7	3.9	4.0	3.9
Private Health Insurer (n=19-24)	4.0	4.3	4.1	4.3	4.6	4.5	4.2

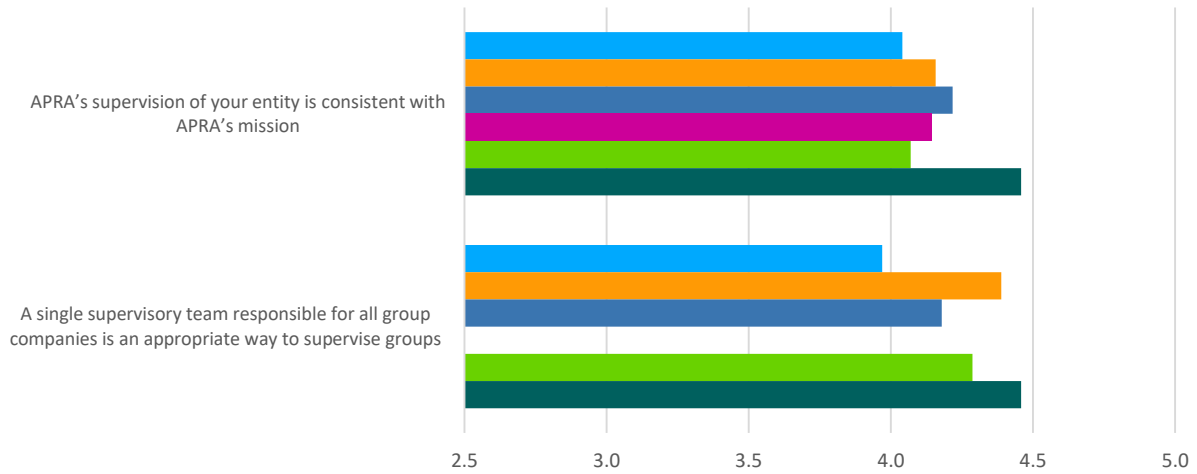
q16a, q16b, q16c, q16d, q16e, q19a, q19b.

\*Blank cells indicate sub-sample size was less than 10 (or less than 7 for Friendly Society).

**Supervisory activities (B)**

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 appropriate way to supervise groups	APRA's supervision of your entity is consistent with APRA's mission
Trustee (n=67-74)	4.0	4.0
Life Insurer (n=18-19)	4.4	4.2
General Insurer (n=67-69)	4.2	4.2
Friendly Society (n=7)*		4.1
ADI (n=87-100)	4.3	4.1
Private Health Insurer (n=24)	4.5	4.5

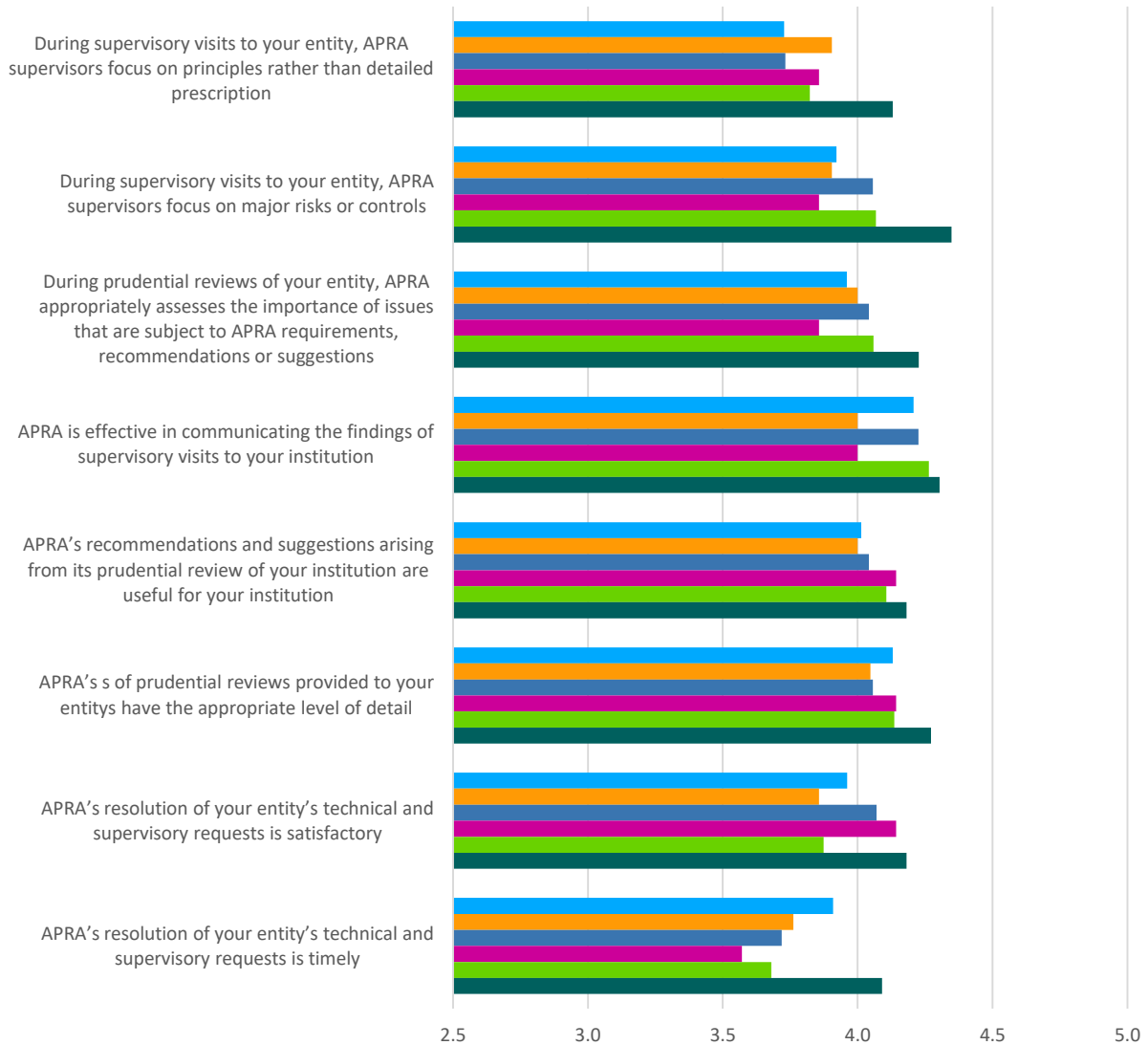
q16f, q16g.

\*Blank cells indicate sub-sample size was less than 10 (or less than 7 for Friendly Society).

**Supervisory activities (C)**

Industry mean score

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



	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 s of prudential reviews provided to your entitys have the appropriate level of detail	APRA's recommendati ons and suggestions arising from its prudential review of your institution are useful for your institution	APRA is effective in communicatin g the findings of supervisory visits to your institution	During prudential reviews of your entity, APRA appropriately assesses the importance of issues that are subject to APRA requirements, recommendati ons 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=75-77)	3.9	4.0	4.1	4.0	4.2	4.0	3.9	3.7
Life Insurer (n=21)	3.8	3.9	4.0	4.0	4.0	4.0	3.9	3.9
General Insurer (n=71)	3.7	4.1	4.1	4.0	4.2	4.0	4.1	3.7
Friendly Society (n=7)	3.6	4.1	4.1	4.1	4.0	3.9	3.9	3.9
ADI (n=102-103)	3.7	3.9	4.1	4.1	4.3	4.1	4.1	3.8
Private Health Insurer (n=22-23)	4.1	4.2	4.3	4.2	4.3	4.2	4.3	4.1

q18a, q18b, q18c, q18d, q18e, q18f, q18g, q18h.

**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=76-77)	4.0	3.7	4.2	4.0
Life Insurer (n=21)	4.1	3.8	4.1	4.0
General Insurer (n=69-70)	3.9	3.7	4.2	3.9
Friendly Society (n=7)*	4.1	3.9	4.0	
ADI (n=101-103)	4.0	3.5	4.1	3.8
Private Health Insurer (n=22-24)	4.3	3.6	4.2	4.0

q21a, q21b, q21c, q21d.

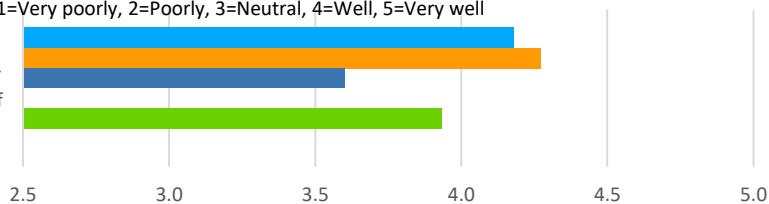
\*Blank cells indicate sub-sample size was less than 10 (or less than 7 for Friendly Society).

**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? (Only asked if requested in the past 12 months)



	Considering the process rather than the APRA decision, how did APRA handle your request for approval, variation or exemption? (Only asked if requested in the past 12 months)
Trustee (n=28)	4.2
Life Insurer (n=11)	4.3
General Insurer (n=40)	3.6
Friendly Society*	
ADI (n=45)	3.9
Private Health Insurer*	

q24@.

\*Blank cells indicate sub-sample size was less than 10 (or less than 7 for Friendly Society).

**Data collections**  
Industry comparison



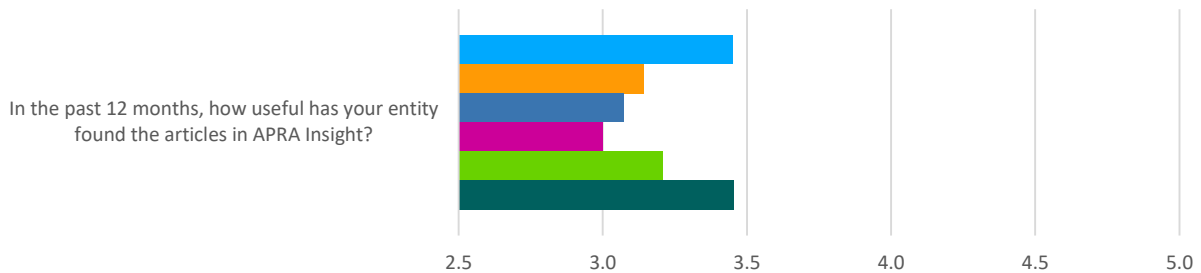
The amount of statistical data collected by APRA in order to supervise your entity is.. (% About right)	
Trustee (n=77)	40%
Life Insurer (n=21)	86%
General Insurer (n=71)	76%
Friendly Society (n=7)	71%
ADI (n=103)	66%
Private Health Insurer (n=24)	96%

q25.

**Usefulness of articles in APRA insight**

Industry mean score

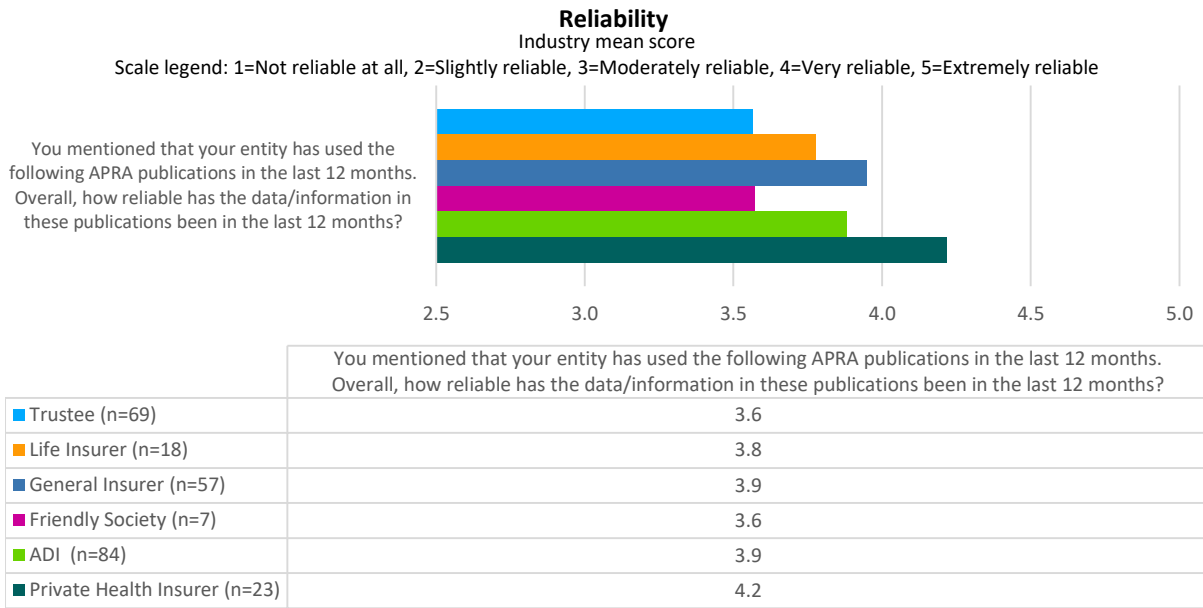
Scale legend: 1=Not useful at all, 2=Slightly useful, 3=Moderately useful, 4=Very useful, 5=Extremely useful



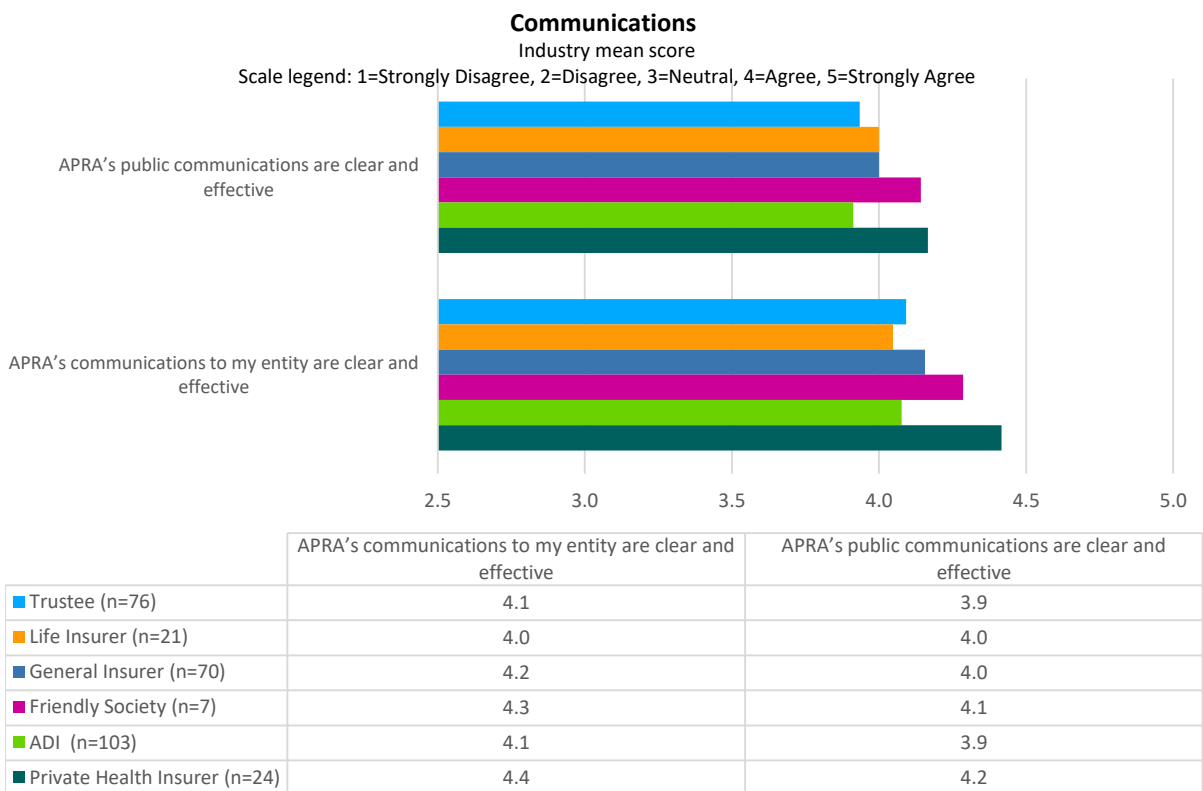
In the past 12 months, how useful has your entity found the articles in APRA Insight?	
Trustee (n=73)	3.5
Life Insurer (n=21)	3.1
General Insurer (n=67)	3.1
Friendly Society (n=7)	3.0
ADI (n=96)	3.2
Private Health Insurer (n=22)	3.5

q28.





q31.



q34a, q34b.

## C. Regulated Entity means comparison table by group<sup>^</sup>

Regulated entity means comparison between Group and Non-Group – Statistically significant results shown only		Group (n=147-164)	Non-group (n=125-156)	Difference
<b>Supervision</b>				
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.		4.0	3.7	0.3
<b>Prudential framework</b>				
APRA's harmonisation of the prudential framework across its regulated industries is important for your entity		4.1	3.6	0.5
The alignment of APRA's prudential standards with international best practice standards for your industry is important for your entity		4.1	3.6	0.5
APRA's prudential standards are based on principles rather than detailed prescription		4.0	3.8	0.2
<b>Usefulness of APRA guidance</b>				
How useful is the guidance that your entity receives about the prudential framework from...*	Your APRA supervision team	4.2	4.0	0.2
	Interactions with other APRA staff	3.6	3.1	0.5
	APRA's letters to your entity	3.9	3.7	0.2
	Speeches by senior APRA representatives	3.4	3.2	0.2
<b>Consultation processes</b>				
APRA sufficiently considers issues relevant to industry and other stakeholders when developing its prudential standards and guidance material		3.8	3.5	0.2
<b>Risk assessments</b>				
APRA's risk assessment of your entity is aligned with your entity's own risk assessment		4.0	3.7	0.3
APRA's PAIRS rating reflects your entity's view of its risk profile		4.1	3.8	0.3
The information that APRA collects in the course of supervision is adequate to assess risks in your entity		4.2	4.0	0.2
APRA is effective in identifying risks and problems in that part of your institution that APRA regulates		4.1	3.9	0.2
<b>Supervisory activities</b>				
APRA meets its stated approach of supervising in line with international best practice		4.0	3.8	0.2
During prudential reviews of your entity, APRA appropriately assesses the importance of issues that are subject to APRA requirements, recommendations or suggestions		4.1	3.9	0.2
APRA's resolution of your entity's technical and supervisory requests is satisfactory		4.1	3.9	0.2
APRA effectively enforces its prudential requirements		4.2	4.1	0.1
<b>Data collections</b>				
The amount of statistical data collected by APRA in order to supervise your entity is..? <sup>§</sup>		3.3	3.5	-0.2

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

<sup>^</sup> Group REs were those identified in the original sample by having a "group code"

Scale legend:

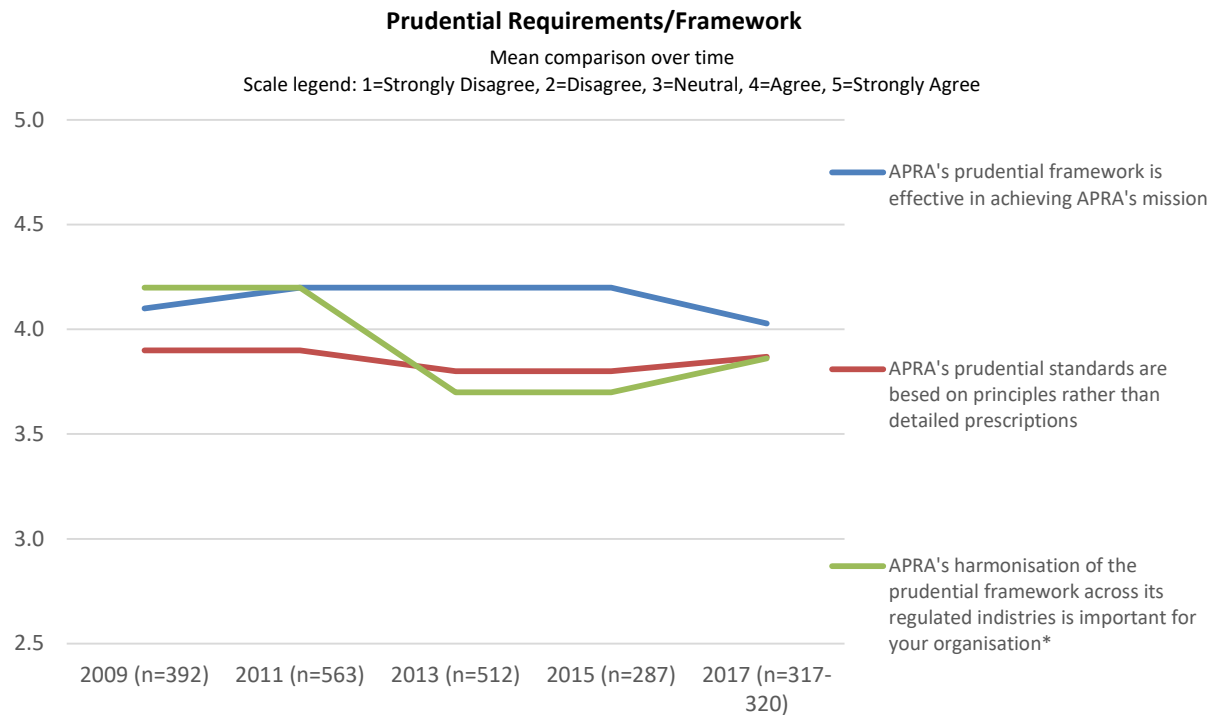
\* 1=Not useful at all, 2=Slightly useful, 3=Moderately useful, 4=Very useful, 5=Extremely useful

<sup>§</sup> 1=Far too little, 2=Too little, 3=About right, 4=Too much, 5=Far too much

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 2017 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.

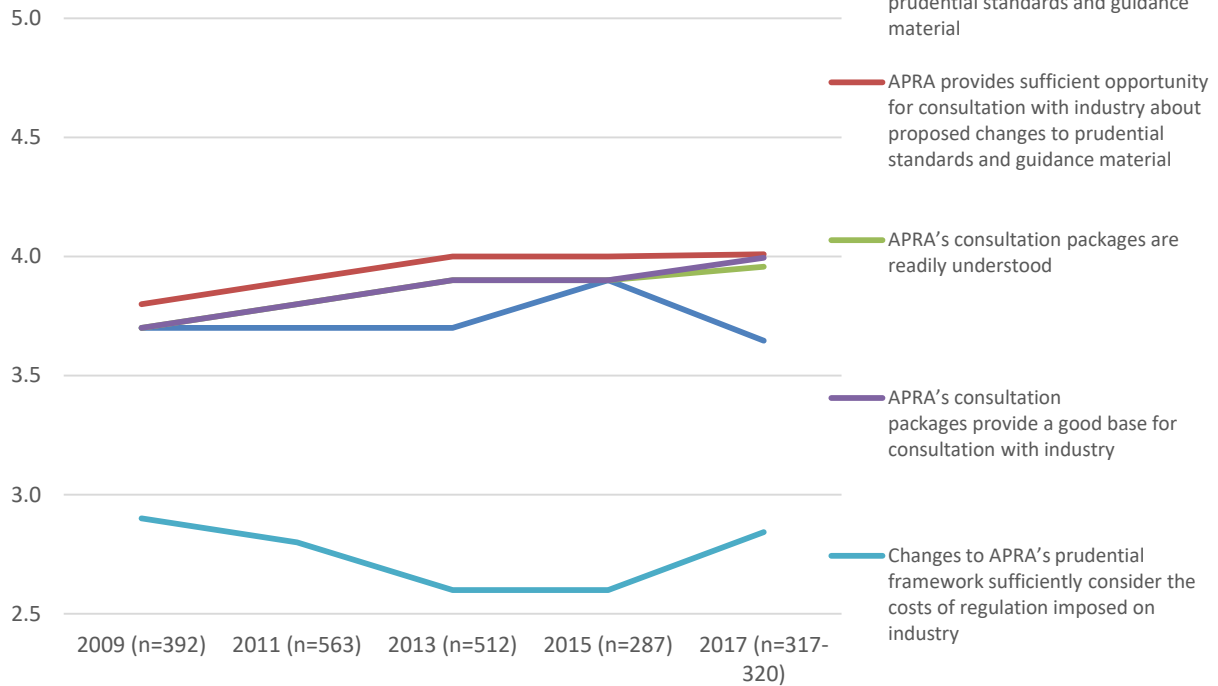


q2a, q2b, q3a. Only asked of group institutions in 2015

### Consultation processes

Mean comparison over time

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

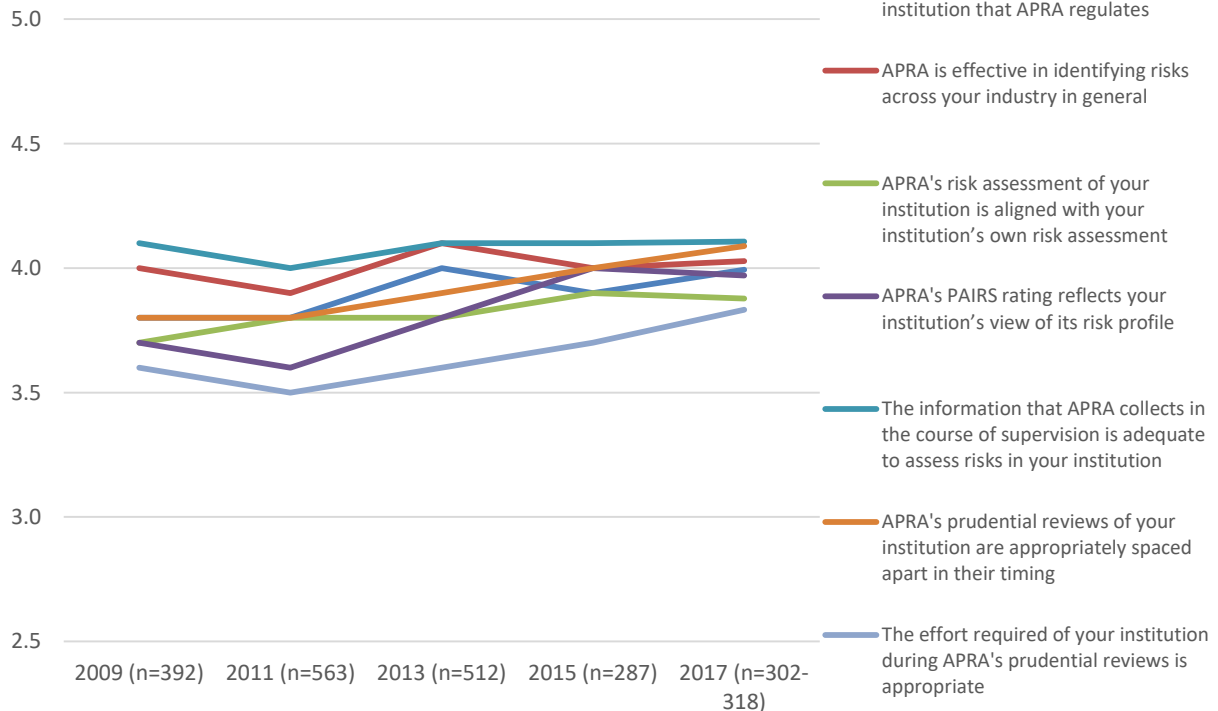


q9a, q9b, q9c, q9d, q9f.

### Risk assessments

Mean comparison over time

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

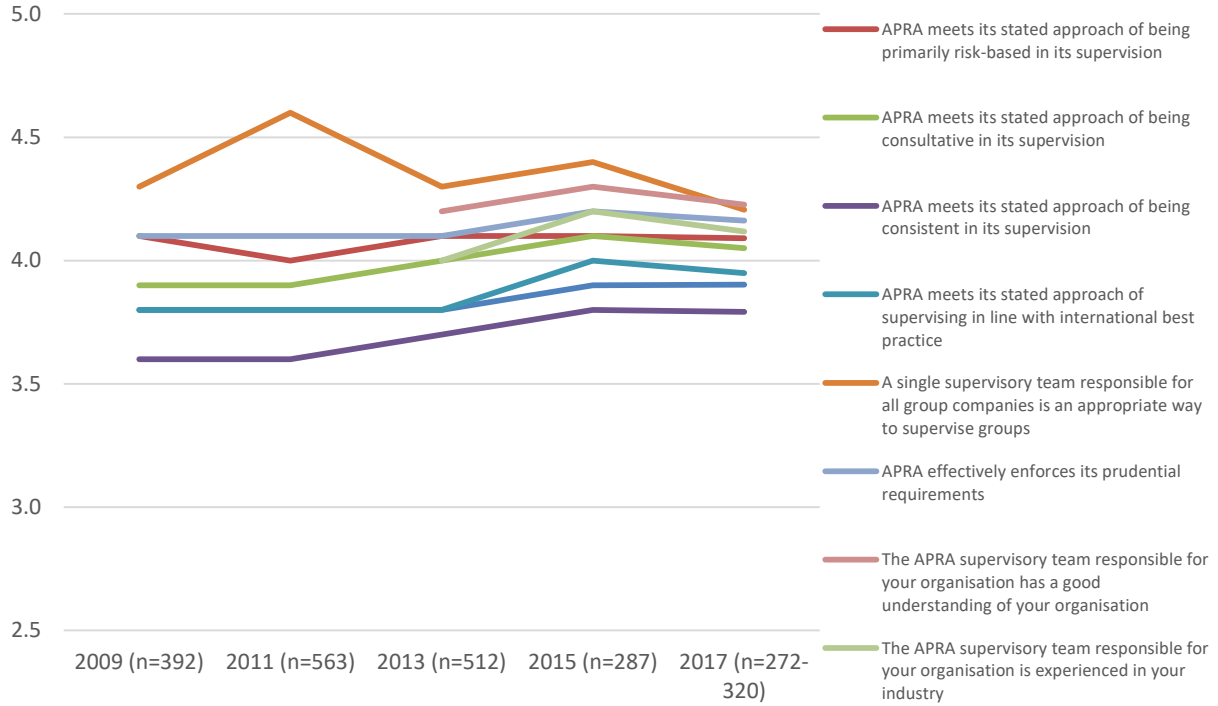


q11a, q11b, q11c, q11d, q11e, q14a, q14b.

### Supervisory Activities - A

Mean comparison over time

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

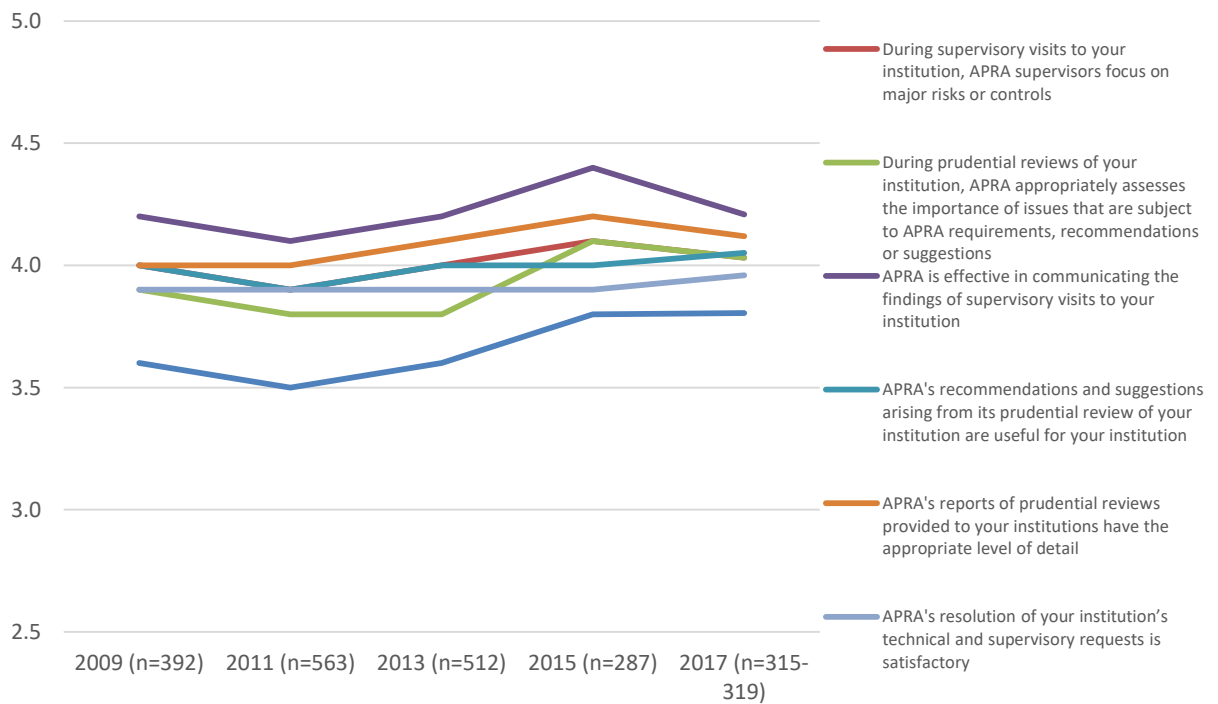


q13a, q13b, q16ia, q16ib, q16ic, q16id, q16ie, q16iig, q19a.

### Supervisory Activities - B

Mean comparison over time

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



q18a, q18b, q18c, q18d, q18e, q18f, q18g.

## E. Regulated Entity 2015 comparison

Regulated Entity comparison to 2015 report		2017 mean (n=143-320)	2015 mean (n=139-287)	Difference
<b>Prudential framework</b>				
APRA's prudential framework is effective in achieving APRA's mission		4.0	4.2	-0.2
APRA's harmonisation of the prudential framework across its regulated industries is important for your entity		3.9	3.7	0.2
The alignment of APRA's prudential standards with international best practice standards for your industry is important for your entity		3.9	4.0	-0.1
APRA's prudential standards are based on principles rather than detailed prescription		3.9	3.8	0.1
APRA's prudential standards clearly communicate requirements		3.8	3.8	0.1
<b>Usefulness of APRA guidance</b>				
Your APRA supervision team		4.1	4.1	0.0
How useful is the guidance that your entity receives about the prudential framework from...*	Interactions with other APRA staff	3.3	3.5	-0.2
	APRA's Prudential Practice Guides	3.9	3.7	0.2
	APRA's letters to your entity	3.8	3.6	0.2
	Speeches by senior APRA representatives	3.3	3.4	-0.1
	Other information on APRA's website, such as policy papers and FAQ's	3.3	3.4	-0.1
<b>Consultation processes</b>				
APRA sufficiently considers issues relevant to industry and other stakeholders when developing its prudential standards and guidance material		3.6	3.9	-0.3
APRA provides sufficient opportunity for consultation with industry about proposed changes to prudential standards and guidance material		4.0	4.0	0.0
APRA's consultation packages are readily understood		4.0	3.9	0.1
APRA's consultation packages provide a good base for consultation with industry		4.0	3.9	0.1
APRA communicates clearly during consultation with industry about proposed changes to prudential standards and guidance material		3.9	3.9	0.1
Changes to APRA's prudential framework sufficiently consider the costs of regulation imposed on industry		2.8	2.6	0.2
<b>Risk assessments</b>				
APRA's risk assessment of your entity is aligned with your entity's own risk assessment		3.9	3.9	-0.1
APRA's PAIRS rating reflects your entity's view of its risk profile		4.0	4.0	0.0
The information that APRA collects in the course of supervision is adequate to assess risks in your entity		4.1	4.1	0.0
APRA is effective in identifying risks and problems in that part of your institution that APRA regulates		4.0	3.9	0.0
APRA is effective in identifying risks across your industry in general		4.0	4.0	0.0
APRA identifies emerging industry issues in a timely manner		3.7	3.7	0.0
<b>Dealings with APRA</b>				
The APRA supervisory team responsible for your organisation...	Has a good understanding of your organisation	4.2	4.3	-0.1
	Is experienced in your industry	4.1	4.2	-0.1
Other APRA staff with whom your organisation interacts are experienced and knowledgeable		3.9	4.1	-0.1

Regulated Entity comparison to 2015 report		2017 mean (n=143-320)	2015 mean (n=139-287)	Difference
APRA's prudential reviews of your entity are appropriately spaced apart in their timing		4.1	4.0	0.1
The effort required of your entity during APRA's prudential reviews is appropriate		3.8	3.7	0.1
<b>Supervisory activities</b>				
APRA meets its stated approach of...	Being forward looking in its supervision	3.9	3.9	0.0
	Being primarily risk-based in its supervision	4.1	4.1	0.0
	Being consultative in its supervision	4.1	4.1	0.0
	Being consistent in its supervision	3.8	3.8	0.0
	Supervising in line with international best practice	3.9	4.0	0.0
APRA's supervision of your entity is consistent with APRA's mission		4.1	4.1	0.1
A single supervisory team responsible for all group companies is an appropriate way to supervise groups		4.2	4.4	-0.2
During supervisory visits to your entity, APRA supervisors focus on principles rather than detailed prescription		3.8	3.8	0.0
During supervisory visits to your entity, APRA supervisors focus on major risks or controls		4.0	4.1	-0.1
During prudential reviews of your entity, APRA appropriately assesses the importance of issues that are subject to APRA requirements, recommendations or suggestions		4.0	4.1	0.0
APRA is effective in communicating the findings of supervisory visits to your entity		4.2	4.4	-0.2
APRA's recommendations and suggestions arising from its prudential review of your institution are useful for your entity		4.1	4.0	0.0
APRA's reports of prudential reviews provided to your entities have the appropriate level of detail		4.1	4.2	-0.1
APRA's resolution of your entity's technical and supervisory requests is satisfactory		4.0	3.9	0.1
APRA's resolution of your entity's technical and supervisory requests is timely		3.8	3.8	0.0
APRA effectively enforces its prudential requirements		4.2	4.2	0.0
What impact has APRA's enforcement of its prudential requirements had on your industry?		3.9	3.9	0.0
What impact has APRA's supervision activity had on your entity's risk management practices over the past few years?^		4.1	4.2	-0.1
What impact has APRA's prudential requirements had on the financial management of your entity?^		3.7	3.7	0.0
<b>Exemptions and variations</b>				
Considering the process rather than the APRA decision, how did APRA handle your request for approval, variation or exemption? (Only asked if requested in the past 12 months)&		3.9	3.8	0.1
<b>APRA publications</b>				
In the past 12 months, how useful has your entity found the articles in APRA Insight?*		3.3	3.0	0.2

\*^&See notes on next page

**Yellow and bold** indicates statistically significant difference ( $p < 0.05$ ). This significance testing **must be treated** with caution, as standard deviations from the 2015 report were only available to one decimal place. 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=Very poorly, 2=Poorly, 3=Neutral, 4=Well, 5=Very well

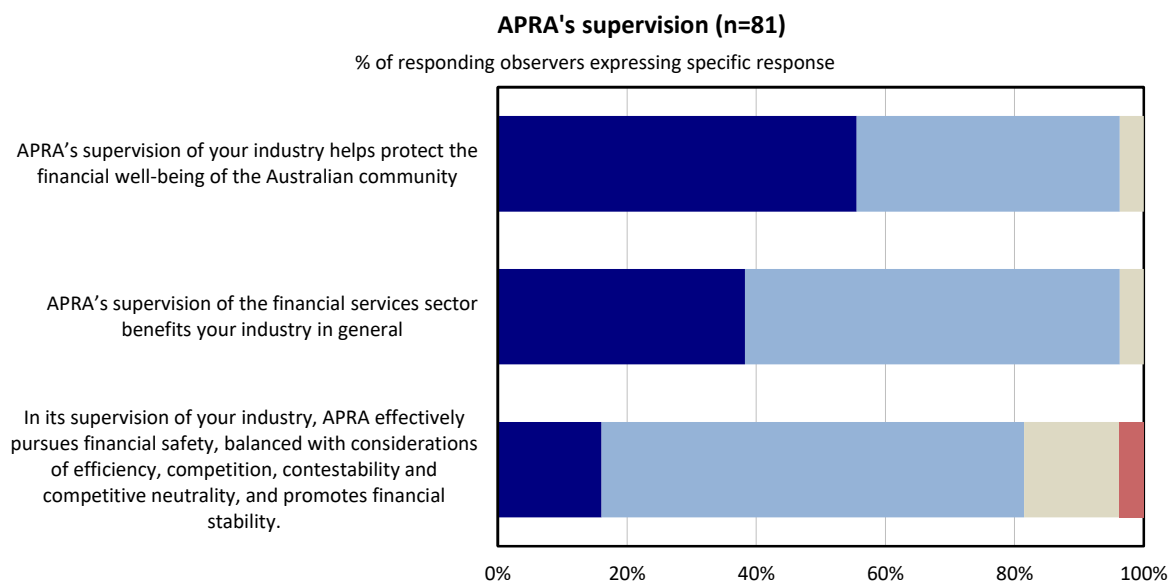
All others: 1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly agree



## 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 2017 survey.

### A. Knowledgeable Observer overall frequency distribution charts

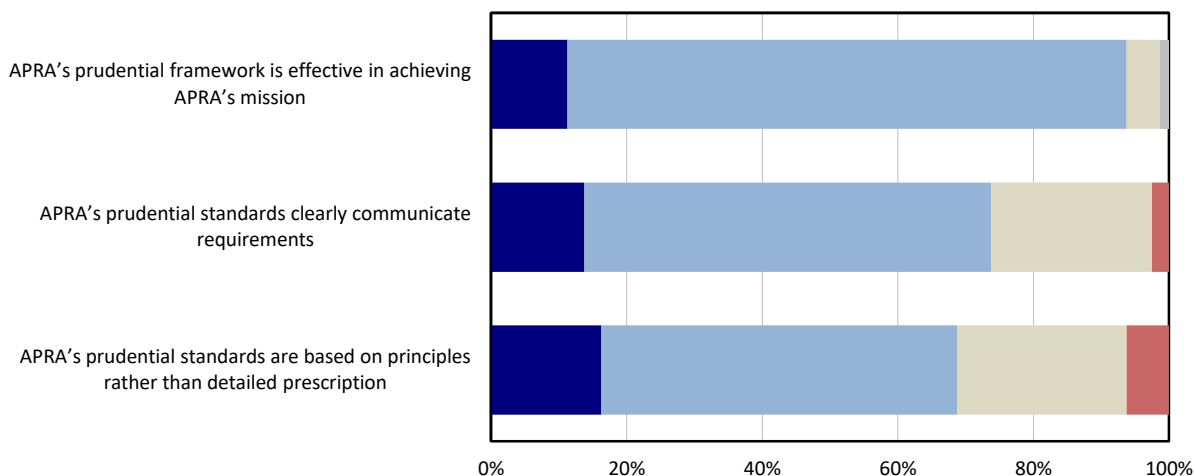


	In its supervision of your industry, APRA effectively pursues financial safety, balanced with considerations of efficiency, competition, contestability and competitive neutrality, and promotes financial stability.	APRA's supervision of the financial services sector benefits your industry in general	APRA's supervision of your industry helps protect the financial well-being of the Australian community
■ Strongly agree	16%	38%	56%
■ Agree	65%	58%	41%
■ Neutral	15%	4%	4%
■ Disagree	4%	0%	0%
■ Strongly disagree	0%	0%	0%
■ Don't know	0%	0%	0%
Top 2 score	81%	96%	96%
Mean	3.9	4.3	4.5

q1c, q1a, q1d.

**Prudential framework (n=80)**

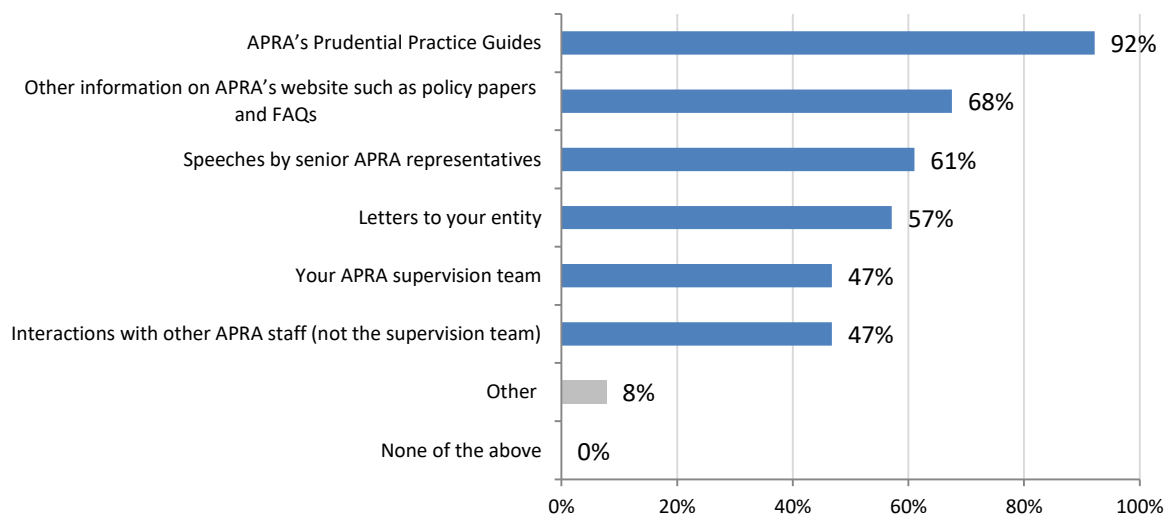
% of responding observers expressing specific response



	APRA's prudential standards are based on principles rather than detailed prescription	APRA's prudential standards clearly communicate requirements	APRA's prudential framework is effective in achieving APRA's mission
Strongly agree	16%	14%	11%
Agree	53%	60%	83%
Neutral	25%	24%	5%
Disagree	6%	3%	0%
Strongly disagree	0%	0%	0%
Don't know	0%	0%	1%
Top 2 score	69%	74%	94%
Mean	3.8	3.9	4.1

q2a, q3b, q3a.

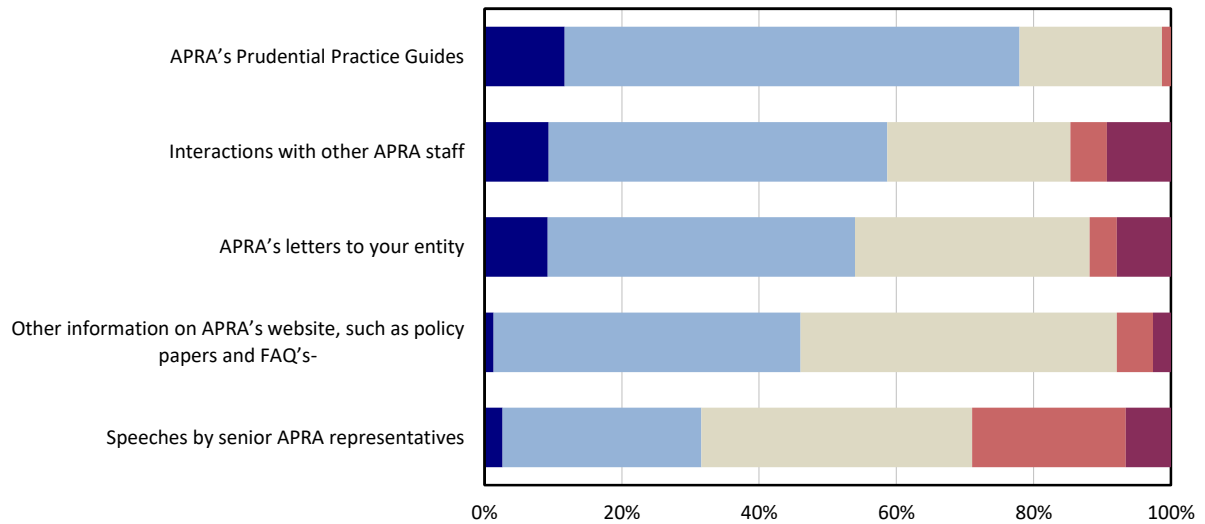
**Sources of guidance organisation has used in past 12 months (Multiple Response) (n=77)**



q7.

### Usefulness of guidance (n=75-77)

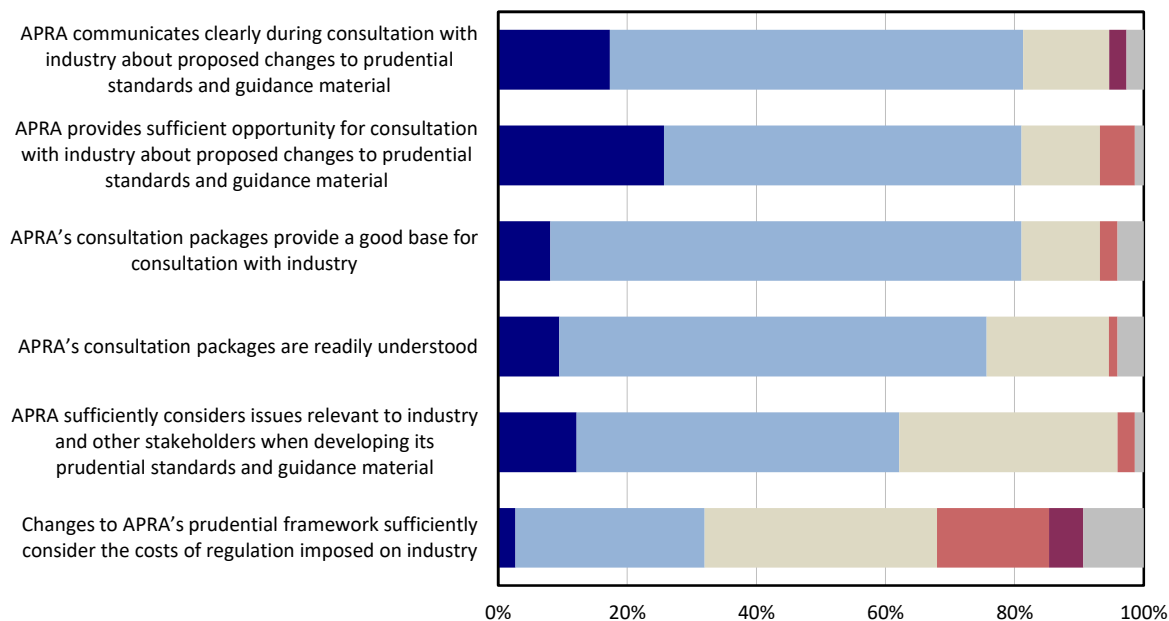
% of responding observers expressing specific response



	Speeches by senior APRA representatives	Other information on APRA's website, such as policy papers and FAQ's-	APRA's letters to your entity	Interactions with other APRA staff	APRA's Prudential Practice Guides
Extremely useful	3%	1%	9%	9%	12%
Very useful	29%	45%	45%	49%	66%
Moderately useful	39%	46%	34%	27%	21%
Slightly useful	22%	5%	4%	5%	1%
Not useful at all	7%	3%	8%	9%	0%
Top 2 score	32%	46%	54%	59%	78%
Mean	3.0	3.4	3.4	3.4	3.9

q8c, q8b, q8d, q8f, q8e.

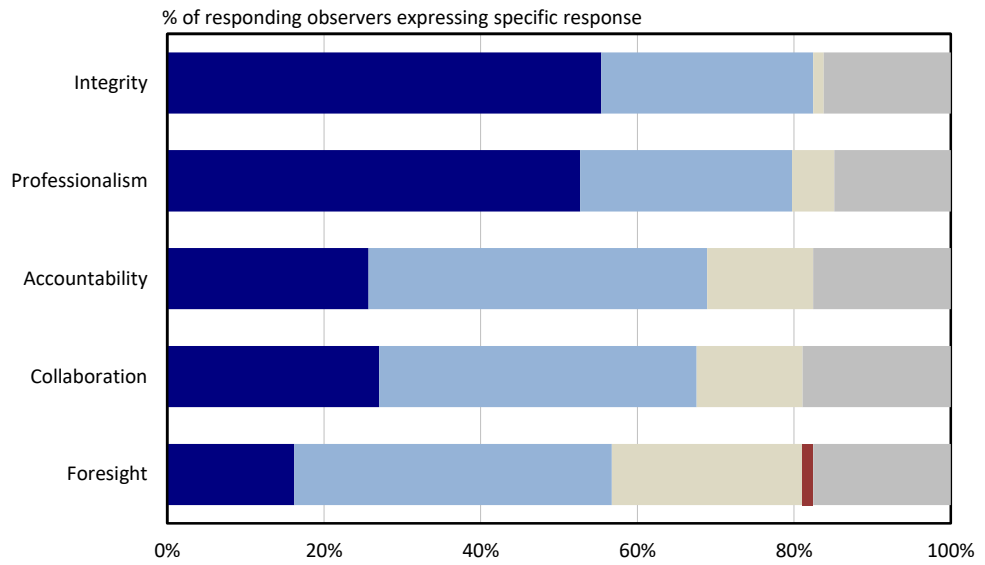
**Consultation processes (n=74-75)**  
 % of responding observers expressing specific response



	Changes to APRA's prudential framework sufficiently consider the costs of regulation imposed on industry	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's consultation packages provide a good base for consultation with industry	APRA provides sufficient opportunity for consultation with industry about proposed changes to prudential standards and guidance material	APRA communicates clearly during consultation with industry about proposed changes to prudential standards and guidance material
Strongly agree	3%	12%	9%	8%	26%	17%
Agree	29%	50%	66%	73%	55%	64%
Neutral	36%	34%	19%	12%	12%	13%
Disagree	17%	3%	1%	3%	5%	0%
Strongly disagree	5%	0%	0%	0%	0%	3%
Don't know	9%	1%	4%	4%	1%	3%
Top 2 score	32%	62%	76%	81%	81%	81%
Mean	3.1	3.7	3.9	3.9	4.0	4.0

q9e, q9b, q9d, q9c, q9a, q9f.

**To what extent do APRA staff demonstrate APRA values? (n=74)**

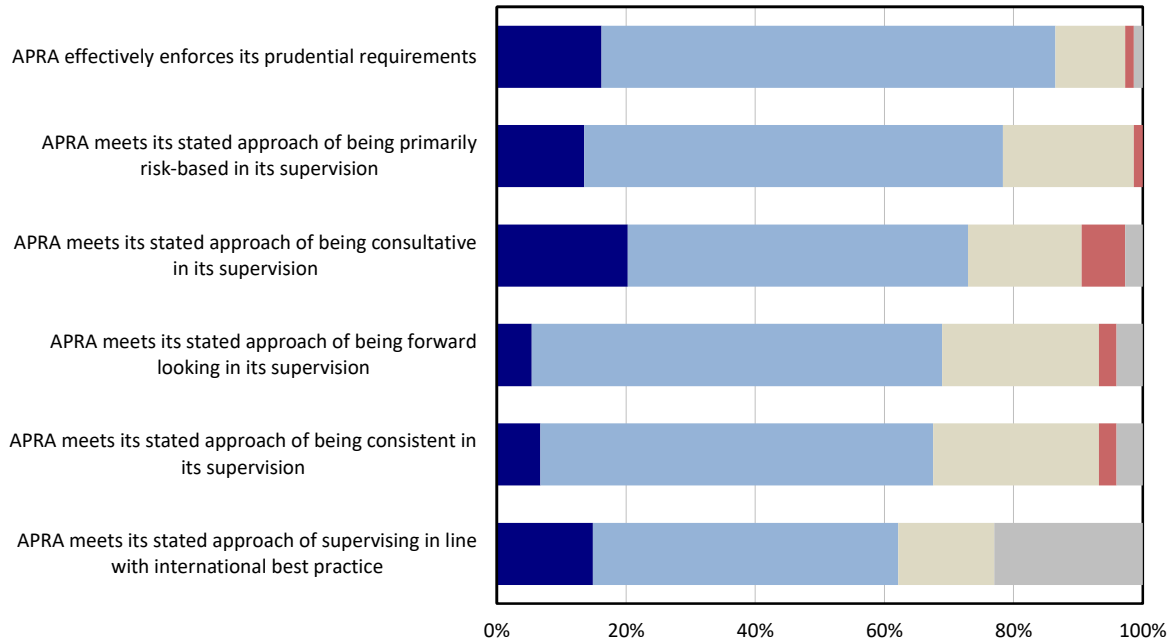


	Foresight	Collaboration	Accountability	Professionalism	Integrity
Always demonstrate	16%	27%	26%	53%	55%
Demonstrate to a significant extent	41%	41%	43%	27%	27%
Demonstrate to some extent	24%	14%	14%	5%	1%
Never demonstrate	1%	0%	0%	0%	0%
Don't know	18%	19%	18%	15%	16%
Top 2 score	57%	68%	69%	80%	82%
Mean	2.9	3.2	3.1	3.6	3.6

q15a, q15c, q15e, q15b, q15d.

**Supervisory activities (n=74)**

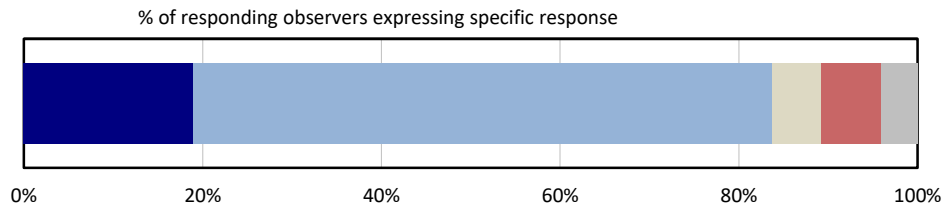
% of responding observers expressing specific response



	APRA meets its stated approach of supervising in line with international best practice	APRA meets its stated approach of being consistent in its supervision	APRA meets its stated approach of being forward looking in its supervision	APRA meets its stated approach of being consultative in its supervision	APRA meets its stated approach of being primarily risk-based in its supervision	APRA effectively enforces its prudential requirements
Strongly agree	15%	7%	5%	20%	14%	16%
Agree	47%	61%	64%	53%	65%	70%
Neutral	15%	26%	24%	18%	20%	11%
Disagree	0%	3%	3%	7%	1%	1%
Strongly disagree	0%	0%	0%	0%	0%	0%
Don't know	23%	4%	4%	3%	0%	1%
Top 2 score	62%	68%	69%	73%	78%	86%
Mean	4.0	3.7	3.7	3.9	3.9	4.0

q19a, q16ib, q16ic, q16ia, q16id, q16ie.

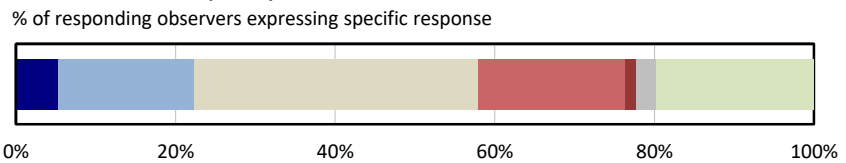
**What impact has APRA’s enforcement of its prudential requirements had on your industry? (n=74)**



Very positive impact	19%
Positive impact	65%
No impact	5%
Negative impact	7%
Very negative impact	0%
Don't know	4%
Top 2 score	84%
Mean	4.0

q21a.

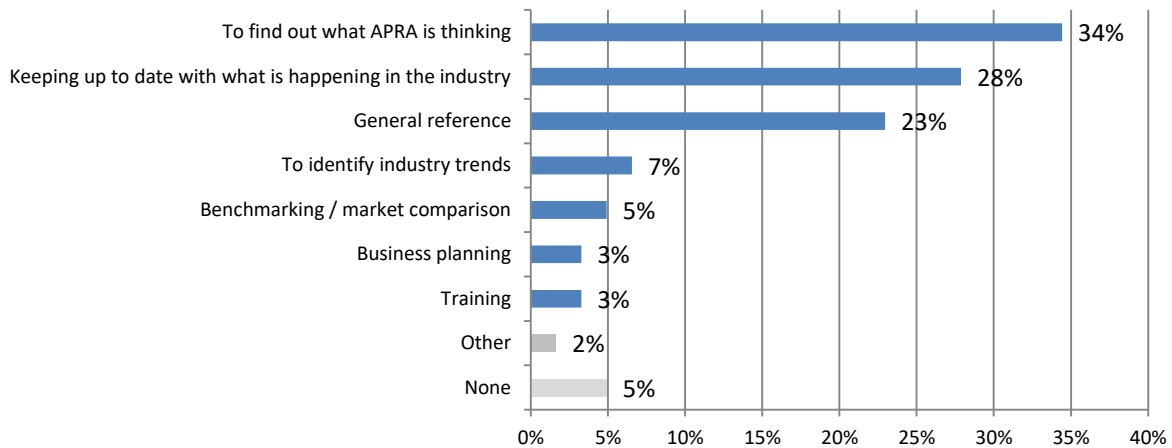
**In the past 12 months, how useful has your entity found the articles in APRA Insight? (n=76)**



Extremely useful	5%
Very useful	17%
Moderately useful	36%
Slightly useful	18%
Not useful at all	1%
Don't know	3%
Have not used in the past 12 months	20%
Top 2 score	22%
Mean	3.1

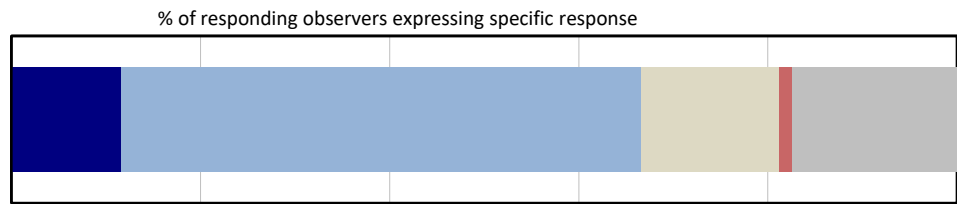
q28.

**For what purpose/s does your entity use APRA Insight? (Multiple Response) (n=61)**



q29. This question was asked as a single response question. 'Other' responses sometimes contained multiple themes. These were back-coded into multiple pre-codes. Comparison with data from past waves is not recommended.

**You mentioned that you have 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?(n=69)**



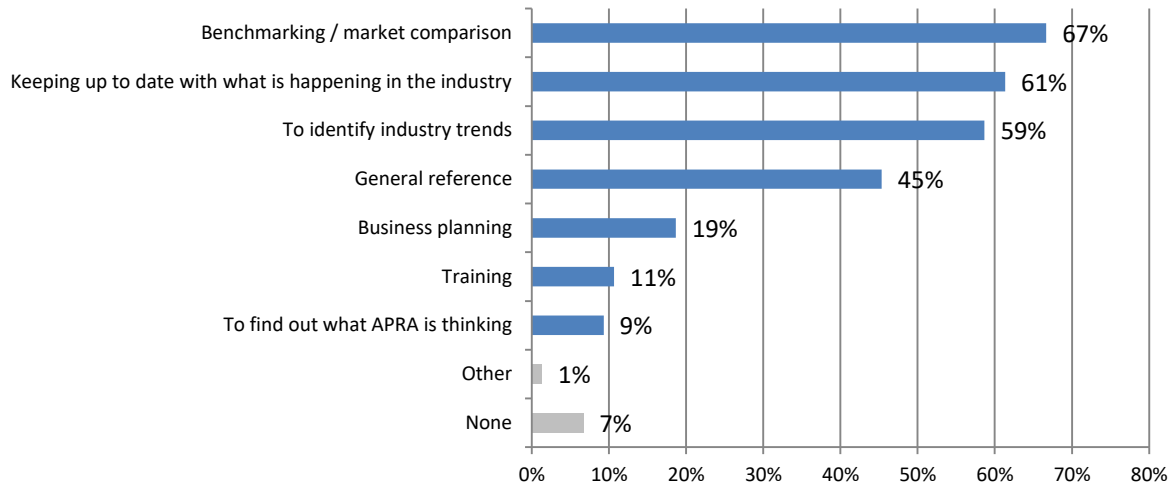
% of responding observers expressing specific response

Extremely reliable	12%
Very reliable	55%
Moderately reliable	14%
Slightly reliable	1%
Not reliable at all	0%
Don't know	17%
Top 2 score	67%
Mean	3.9

q31.



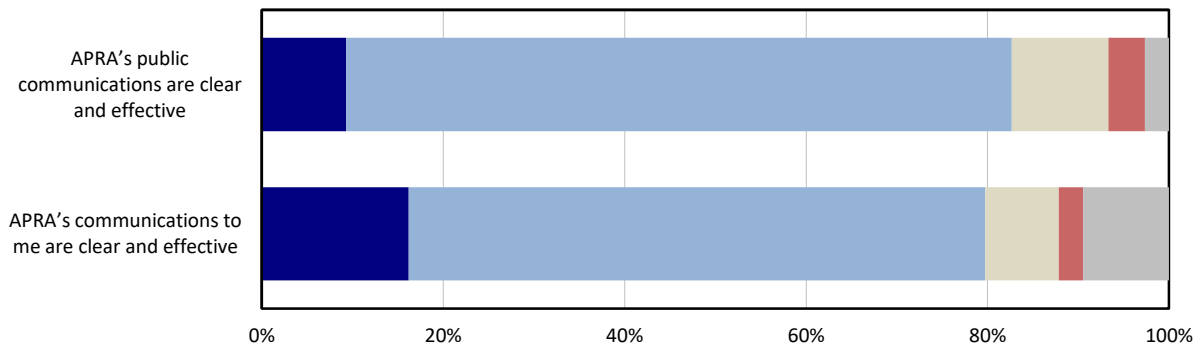
**For what purpose/s does your entity use APRA statistical publications? (Multiple Response) (n=75)**



q33.

**Communications (n=74-75)**

% of responding observers expressing specific response



	APRA's communications to me are clear and effective	APRA's public communications are clear and effective
Strongly agree	16%	9%
Agree	64%	73%
Neutral	8%	11%
Disagree	3%	4%
Strongly disagree	0%	0%
Don't know	9%	3%
Top 2 score	80%	83%
Mean	4.0	3.9

q34a, q34b.

## B. Knowledgeable Observer means comparison table to 2015 report

The table below compares the means for each question repeated in the KO survey in 2017. Statistically significant results are highlighted. From the next edition of the survey these tracking results will be charted (as is done for the RE results).

Knowledgeable observer comparison to 2015 report		2017 mean (n=59-80)	2015 mean (n=39-75)	Difference
<b>Prudential framework</b>				
APRA's prudential framework is effective in achieving APRA's mission		4.1	4.1	0.0
APRA's prudential standards are based on principles rather than detailed prescription		3.8	3.7	0.1
APRA's prudential standards clearly communicate requirements		3.9	3.7	0.1
<b>Usefulness of APRA guidance</b>				
How useful is the guidance that your entity receives about the prudential framework from...*	Interactions with other APRA staff	3.4	3.6	-0.2
	APRA's Prudential Practice Guides	3.9	3.7	0.2
	APRA's letters to your entity	3.4	3.6	-0.2
	Speeches by senior APRA representatives	3.0	3.2	-0.2
	Other information on APRA's website, such as policy papers and FAQ's-	3.4	3.4	0.0
<b>Consultation processes</b>				
<b>APRA sufficiently considers issues relevant to industry and other stakeholders when developing its prudential standards and guidance material</b>		3.7	4.1	-0.4
APRA provides sufficient opportunity for consultation with industry about proposed changes to prudential standards and guidance material		4.0	4.2	-0.2
APRA's consultation packages are readily understood		3.9	4.0	-0.1
APRA's consultation packages provide a good base for consultation with industry		3.9	4.0	-0.1
APRA communicates clearly during consultation with industry about proposed changes to prudential standards and guidance material		4.0	3.9	0.1
<b>Changes to APRA's prudential framework sufficiently consider the costs of regulation imposed on industry</b>		3.1	2.7	0.4
<b>Supervisory activities</b>				
APRA effectively enforces its prudential requirements		4.0	4.0	0.0
What impact has APRA's enforcement of its prudential requirements had on your industry?^		4.0	3.9	0.1
<b>APRA publications</b>				
In the past 12 months, how useful have you found the articles in APRA Insight?*		3.1	3.0	0.1

**Yellow and bold** indicates statistically significant difference (p<0.05). This significance testing **must be treated with caution**, as standard deviations from the 2015 report were only available to one decimal place. 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

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

## C. Knowledgeable Observer (KO) means comparison table to Regulated Entity (RE)

The tables in this section compare the mean scores on items completed in 2017 by both REs and KOs. Statistically significant differences between the two audiences are highlighted. Because of the relatively small KO sample size, relatively few of the observed differences are statistically significant.

Knowledgeable observer vs regulated entity mean comparison		KO (n=57-81)	RE (n=272-320)	Difference
<b>APRA's supervision</b>				
APRA's supervision of the financial services sector benefits your industry in general		4.3	4.2	0.1
<b>APRA's supervision of your industry helps protect the financial well-being of the Australian community</b>		<b>4.5</b>	<b>4.3</b>	<b>0.2</b>
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.		3.9	3.8	0.1
<b>Prudential framework</b>				
APRA's prudential framework is effective in achieving APRA's mission		4.1	4.0	0.0
APRA's prudential standards are based on principles rather than detailed prescription		3.8	3.9	-0.1
APRA's prudential standards clearly communicate requirements		3.9	3.8	0.0
<b>Usefulness of APRA guidance</b>				
How useful is the guidance that your entity receives about the prudential framework from...*	Interactions with other APRA staff	3.4	3.3	0.1
	APRA's Prudential Practice Guides	3.9	3.9	0.0
	<b>APRA's letters to your entity</b>	<b>3.4</b>	<b>3.8</b>	<b>-0.3</b>
	<b>Speeches by senior APRA representatives</b>	<b>3.0</b>	<b>3.3</b>	<b>-0.3</b>
	Other information on APRA's website, such as policy papers and FAQ's-	3.4	3.3	0.0
<b>Consultation processes</b>				
APRA sufficiently considers issues relevant to industry and other stakeholders when developing its prudential standards and guidance material		3.7	3.6	0.1
APRA provides sufficient opportunity for consultation with industry about proposed changes to prudential standards and guidance material		4.0	4.0	0.0
APRA's consultation packages are readily understood		3.9	4.0	-0.1
APRA's consultation packages provide a good base for consultation with industry		3.9	4.0	-0.1
APRA communicates clearly during consultation with industry about proposed changes to prudential standards and guidance material		4.0	3.9	0.0
Changes to APRA's prudential framework sufficiently consider the costs of regulation imposed on industry		3.1	2.8	0.2
<b>Dealings with APRA</b>				
To what extent do APRA staff demonstrate the APRA values?+	Integrity	3.6	3.7	-0.1
	Collaboration	3.2	3.3	-0.2
	Professionalism	3.6	3.7	-0.1
	Foresight	2.9	3.0	-0.2
	Accountability	3.1	3.3	-0.2

Knowledgeable observer vs regulated entity mean comparison		KO (n=57-81)	RE (n=272-320)	Difference
<b>Supervisory activities</b>				
APRA meets its stated approach of...	Being forward looking in its supervision	3.7	3.9	-0.2
	<b>Being primarily risk-based in its supervision</b>	<b>3.9</b>	<b>4.1</b>	<b>-0.2</b>
	Being consultative in its supervision	3.9	4.1	-0.2
	Being consistent in its supervision	3.7	3.8	0.0
	Supervising in line with international best practice	4.0	3.9	0.1
APRA effectively enforces its prudential requirements		4.0	4.2	-0.1
What impact has APRA's enforcement of its prudential requirements had on your industry?^		4.0	3.9	0.1
<b>APRA publications</b>				
In the past 12 months, how useful have you found the articles in APRA Insight?*		3.1	3.3	-0.2
You mentioned that you have 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	0.1
APRA's public communications are clear and effective		3.9	4.0	-0.1
APRA's communications to me are clear and effective		4.0	4.1	-0.1

**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