



APRA

Annual Report 2025–26





Annual Report

Australian Prudential Regulation Authority

2025–26



8 September 2026

The Hon Dr Jim Chalmers, MP
Treasurer
Parliament House
CANBERRA ACT 2600

John Lonsdale, Chair

Sydney
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Dear Treasurer,

In accordance with sections 43 and 46 of the *Public Governance, Performance and Accountability Act 2013*, I am pleased to submit the Australian Prudential Regulation Authority Annual Report and Financial Statements for the year ended 30 June 2026.

Yours sincerely

APRA

Contents

Glossary.....	3
From the Chair	4
Chapter 1: About Us.....	10
Chapter 2: Performance	16
Chapter 3: Management and Accountability	42
Chapter 4: Other statutory reporting requirements	67
Chapter 5: Financial Statements	79
List of requirements	122
Index.....	127
Directory	131

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Glossary

ACCC	Australian Competition and Consumer Commission
ADI	Authorised Deposit-taking Institution
ANAO	Australian National Audit Office
APRA	Australian Prudential Regulation Authority
APRA Act	<i>Australian Prudential Regulation Authority Act 1998</i>
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
CFR	Council of Financial Regulators
CVA	Climate Vulnerability Assessment
FAR	Financial Accountability Regime
FCS	Financial Claims Scheme
FRAA	Financial Regulator Assessment Authority
G20	Group of Twenty
PBS	Portfolio Budget Statement
RBA	Reserve Bank of Australia
RSE	Registrable Superannuation Entity

From the Chair

I am pleased to present the Australian Prudential Regulation Authority's annual report for 2025–26. The report sets out how APRA has worked to maintain the safety and stability of APRA-regulated financial institutions for the benefit of the Australian community.

Australia's financial system remained fundamentally strong and resilient through another year of complex operating conditions. The external environment was shaped by heightened geopolitical uncertainty, conflicts in the Middle East and Eastern Europe, trade tensions, global supply chain disruptions and rapid technological change. Some of these developments had flow-on effects for the Australian economy and financial system, including upward pressure on fuel prices, inflation and interest rates.

Intensified strategic competition and growing pressure on the rules-based international order have added to these challenges, amplifying financial and operational risks. APRA's prudential framework and supervision continue to be critical to maintaining system resilience, strengthening preparedness and supporting confidence in the banks, insurers and superannuation trustees that APRA oversees.

The importance of this work has only increased as the system grows in scale, complexity and interconnectedness. These conditions shaped APRA's priorities during the year and reinforced the need to remain alert to vulnerabilities across the system.

During 2025–26, total assets under APRA's supervision surpassed \$10 trillion for the first time. This milestone underscores the growing scale of the financial system and is a reminder that resilience cannot be taken for granted.

Superannuation has been a significant feature of this growth, with 23 million APRA-regulated member accounts now worth approximately \$3 trillion. As the sector grows in scale and complexity, strong oversight of the structures and services that support member outcomes becomes increasingly important, and this continues to be a key area of our work.

Maintaining resilience in an evolving risk environment

APRA's cross-industry work remained an important part of maintaining financial system resilience.

During the year, APRA published the System Risk Outlook, providing greater transparency on risks and vulnerabilities across the financial system, including geopolitical risk, cyber resilience, liquidity and the growing interconnections between banking and superannuation.

APRA also progressed system-wide stress testing to deepen our understanding of how shocks could be transmitted across the financial system and to inform future supervisory priorities.

Our inaugural System Risk Stress Test highlighted the resilience of Australia's financial system to severe liquidity and market shocks, while also identifying vulnerabilities that could



amplify stress, including concentration risks, mismatched assumptions and common dependencies on major service providers. APRA is using these findings to inform policy development and supervisory priorities, and to guide ongoing supervisory work with banks and superannuation funds to strengthen preparedness for severe stress events.

APRA also maintained a strong focus on non-financial risks, including cyber resilience, artificial intelligence adoption and third-party dependencies, recognising that geopolitical shocks can amplify operational vulnerabilities as well as financial risks. APRA engaged with entities on stronger risk management, effective board oversight and better protection of critical technology assets.

The commencement of *Prudential Standard CPS 230 Operational Risk Management* further strengthened requirements for regulated entities to prepare for disruption and continue providing services that Australians rely on.

Getting the balance right

Across all industries, APRA's work was guided by our strategic objective of getting the balance right: maintaining financial safety while avoiding unnecessary regulatory burden that could lessen competition, efficiency and productivity.

This means calibrating requirements to the size, complexity and risk profile of entities, while continuing to uphold sound governance and prudent risk management. It also means being alert to the cumulative impact of regulation on industry capacity, innovation and the ability of financial institutions to support Australia's economic productivity.

Last year, we committed to nine initiatives to support regulatory balance. Many of these have now been finalised or are well advanced, delivering a meaningful reduction in burden for industry while preserving the strength of APRA's prudential framework. For example, APRA announced plans to streamline aspects of the Financial Accountability Regime and commenced the final phase of its governance review, both aimed at strengthening accountability and governance while reducing unnecessary complexity.

The proposed governance reforms are designed to modernise requirements for board governance, conflicts management and the fitness and propriety of boards and executives, while reducing duplication across prudential standards.

We also progressed reforms to improve proportionality in the banking framework by formalising a three-tiered prudential framework. The proposal introduces a new category for the largest institutions, lifts thresholds for mid-sized banks, and suggests more tailored transition arrangements.

We also announced proposed changes to our bank capital framework which could materially free up new lending capacity to support business investment and productivity.

In addition to the nine initiatives, APRA also progressed other work to support regulatory balance. For example, APRA's work with the Reserve Bank of New Zealand to harmonise bank capital rules is expected to reduce annual costs for banks operating in both jurisdictions by around \$175 million.

Banking

Australia's banking system remained well-capitalised and well-placed to support households and businesses through changing economic conditions.

APRA reviewed bank capital and liquidity settings and began consulting on enhancements to strengthen resilience, improve risk sensitivity and better align liquidity settings with international practice, reflecting lessons from recent periods of overseas banking stress.

In November, APRA responded to a pick-up in riskier forms of home lending by introducing limits on high debt-to-income mortgage lending, while continuing to monitor housing-related risks closely.

During the year, as housing market conditions evolved, APRA broadened its focus from the earlier pick-up in riskier home lending to potential downside risks. High household indebtedness remained a key structural vulnerability, although this was expected to ease as housing credit growth slowed. The housing market slowdown was not expected to materially affect financial stability, but APRA remained alert to the possibility that risks could increase if unemployment rose materially, income growth weakened or a significant decline in housing prices pushed more borrowers into negative equity.

APRA assessed these risks through stress testing, supervision of lending standards and engagement with banks on the resilience of their mortgage portfolios.

As noted above, APRA also progressed reforms to improve proportionality and competition, including a third tier in the banking framework, a more efficient licensing pathway and a more accessible route to internal ratings-based accreditation.

Superannuation

As the superannuation sector grows, its influence on the stability and resilience of Australia's financial system continues to increase.

The sector's growth also reinforces the need for strong trustee governance and a clear focus on members' best financial interests.

During the year, APRA consulted on the implementation of the Australian Government's *Retirement Reporting Framework* and continued to sharpen scrutiny of trustee practices, with the objective of supporting better retirement outcomes without unnecessary regulatory burden.

As noted in my opening remarks above, APRA strengthened its focus on superannuation platforms during the year, reflecting their growing role in how members access, manage and draw down retirement savings.

This work included a thematic review of industry practices, formal engagement with trustees on APRA's findings and expectations, and enforcement action where weaknesses in governance, oversight or risk management warranted a stronger regulatory response. The focus is on ensuring trustees have clear accountability for the products and services offered through platforms, and that governance and oversight arrangements keep pace with their increasing scale and complexity.

Cyber resilience also remained a priority, with APRA reinforcing expectations on authentication, information security controls and the uplift required to protect superannuation members and the broader system.

Insurance

Insurance plays a vital role in supporting the resilience of Australian households, businesses and communities. By helping individuals and organisations recover from unexpected events, a strong and sustainable insurance sector contributes not only to financial security but also to broader economic stability.

Affordability and availability pressures remained significant challenges during the year, particularly as insurers and policymakers continued to grapple with the impacts of natural disasters, climate-related risks and widening protection gaps. These challenges highlight the importance of ensuring insurance remains accessible while maintaining the long-term viability of the sector.

Against this backdrop, APRA worked closely with government and other agencies to support sustainable insurance markets while maintaining the prudential soundness of insurers. This included contributing to work on climate-related risks, reinsurance settings and broader issues affecting access to insurance protection.

With thanks

During the year, Margaret Cole completed her term as Deputy Chair. Ms Cole joined APRA in 2021 and brought extensive public and private sector experience to the role and made a significant contribution to APRA's work. I thank Ms Cole for her service.

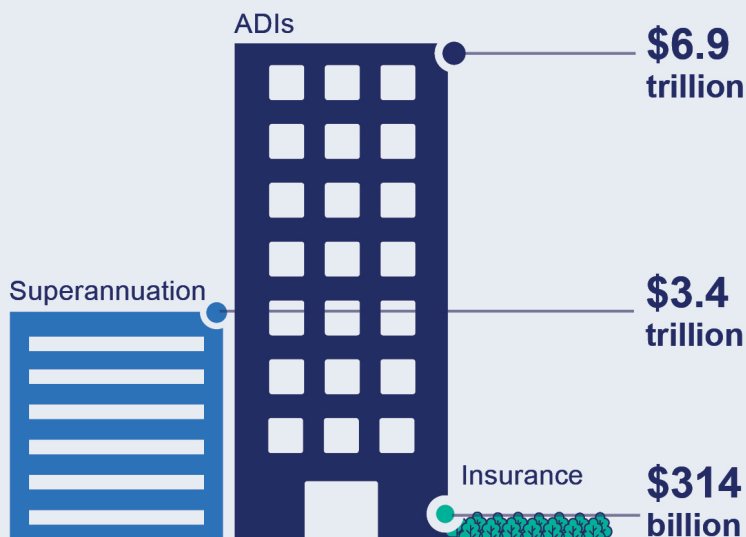
Following the completion of Ms Cole's term with APRA, the Treasurer announced the appointment of David Bradbury and Therese McCarthy Hockey as Deputy Chairs on five-year terms.

On behalf of the APRA Members, I thank all of my colleagues across APRA for their professionalism and dedication throughout the year. Their expertise and commitment are fundamental to APRA's ability to safeguard the financial interests of the Australian community.

APRA's mandate will continue to guide our work in the year ahead: helping Australians have confidence that the financial institutions they rely on are safe and resilient.

Australia's prudential landscape

APRA regulates **1,028** entities with combined assets over **\$10.6 trillion**



Banks are well-capitalised, providing strong protection for depositors' interests.

Industry-wide capital ratios and liquidity ratios remained strong

124 licensed ADIs



Common Equity Tier 1 capital ratio

12.5%



Total capital ratio

20.5%



Minimum Liquid Holdings¹

16.0%



Liquidity Coverage Ratio²

133.0%



Superannuation funds play a critical role in the long-term financial wellbeing of Australians.

APRA-regulated funds

79



Licensed trustees

53



5.1 million accounts* over the preservation age of 60 years totalling

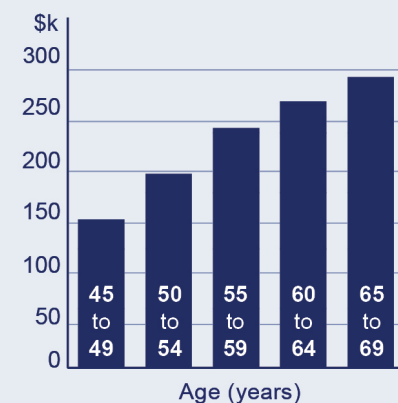
\$1.5 trillion in assets*



APRA-regulated funds with more than six members.

*Data also includes exempt public sector schemes.

Average member balance by age*



Insurers are financially sound with strong capacity to pay claims.

General insurers

88



Life insurers and Friendly societies

32



Total value of assets by sector

\$144.6 billion



\$147.3 billion



Private health insurers

28



\$21.7 billion



¹ MLH ratio is the percentage ratio of specified liquid assets to liabilities

² LCR is the percentage ratio of high-quality liquid assets to total net cash outflows

APRA's year at a glance

Maintaining safety and supporting productivity.

Getting the balance right



\$175 million potential annual savings from simpler, harmonised bank rules



50% faster processing of new bank licence applications



Up to 7% lower capital requirements for life insurers offering annuities



30% more data sharing with regulators, reducing duplicate requests to industry

Engaging with regulators, government agencies and stakeholders to promote financial system stability.

Media releases

63



Speeches at domestic industry events

51



Parliamentary hearings

10



Letters to industry

34



Participation in key international forums

22



Governance consultation

- **35** meetings and roundtables
- Involving **107** organisations

Cultivating highly engaged and capable people.

914 employees



17 employees undertook post-graduate study through the assistance program



4.02 training days per employee



8 employees on domestic or international secondments



13 graduates enrolled in APRA's graduate program

Chapter 1

About Us

APRA is the prudential regulator of the Australian financial services industry.

APRA oversees financial entities across banking, insurance and superannuation to ensure Australians' financial interests are protected and that the financial system remains safe, stable and competitive.

APRA currently supervises **1,028 entities** holding over **\$10.6 trillion** in assets for Australian depositors, policyholders and superannuation fund members.

About Us

APRA was established under the *Australian Prudential Regulation Authority Act 1998* (APRA Act) as an independent statutory authority, accountable to the Australian Parliament.

Our purpose

APRA is responsible for ensuring that Australians' financial interests are protected. We promote the safety and stability of the financial system, while balancing competition and efficiency considerations.¹

Our people enliven our purpose through their dedication and commitment to our work and our values.

Our regulatory tools include powers to set, supervise and enforce standards, and if necessary, resolve institutions in an orderly manner.

We strive to deliver three key outcomes:

- resilient and prudently managed financial institutions, in which Australians have trust and confidence
- a safe and stable financial system, which underpins economic activity and prosperity
- improved ability for Australians to achieve good financial outcomes, now and into the future.

Legislative foundations

Under the APRA Act, APRA's main purposes are to prudentially regulate banking, insurance and superannuation entities under five 'industry Acts' and to administer the Financial Claims Scheme (FCS) for depositors and insurance policyholders.²

The industry Acts provide for licensing and regulatory oversight of:

- authorised deposit-taking institutions (ADIs), including banks, credit unions and building societies
- general insurers
- life insurers and friendly societies
- private health insurers
- registrable superannuation entity (RSE) licensees.

APRA also has important responsibilities under other Acts, including:

- data collection from regulated and non-regulated entities under the *Financial Sector (Collection of Data) Act 2001* (FSCOD Act)
- transfers of ownership under the *Financial Sector (Shareholdings) Act 1998*.

¹ Section 8 of the APRA Act requires that, in performing and exercising its functions and powers, APRA is to "balance the objectives of financial safety and efficiency, competition, contestability and competitive neutrality and, in balancing these objectives, is to promote financial system stability in Australia". Both the *Banking Act 1959* and *Insurance Act 1973* contain objects related to the continued development of viable, competitive and innovative banking and insurance industries

² The industry Acts are the *Banking Act 1959*, *Insurance Act 1973*, *Life Insurance Act 1995*, *Private Health Insurance (Prudential Supervision) Act 2015* and *Superannuation Industry (Supervision) Act 1993*

Government expectations

From time to time, the government issues APRA with a Statement of Expectations and APRA responds with a Statement of Intent.

APRA's Statement of Expectations sets out the government's expectations with reference to APRA's role, the government's policy priorities, APRA's relationships with external stakeholders, and organisational matters. The Statement of Intent sets out APRA's response and confirms APRA's intention to continue striving to be a high-performing and responsive prudential regulator for the benefit of the Australian community. The statements in effect for the 2025–26 financial year were released in June 2023 and have been subject to updates from time to time.³

Our organisation structure

Under the APRA Act, the APRA Members are collectively responsible and accountable for APRA's operation and performance. The APRA Chair has additional specific accountabilities as the accountable authority under the *Public Governance, Performance and Accountability Act 2013*.

APRA Members are appointed by the Governor-General, on the advice of the Australian Government, for terms of up to five years. The APRA Act provides that between three and five APRA Members can be appointed at any point in time.



(L to R: Ms McCarthy Hockey, Ms Cole, Mr Lonsdale, Ms Smith)

As at 30 June 2026, the APRA Members were:

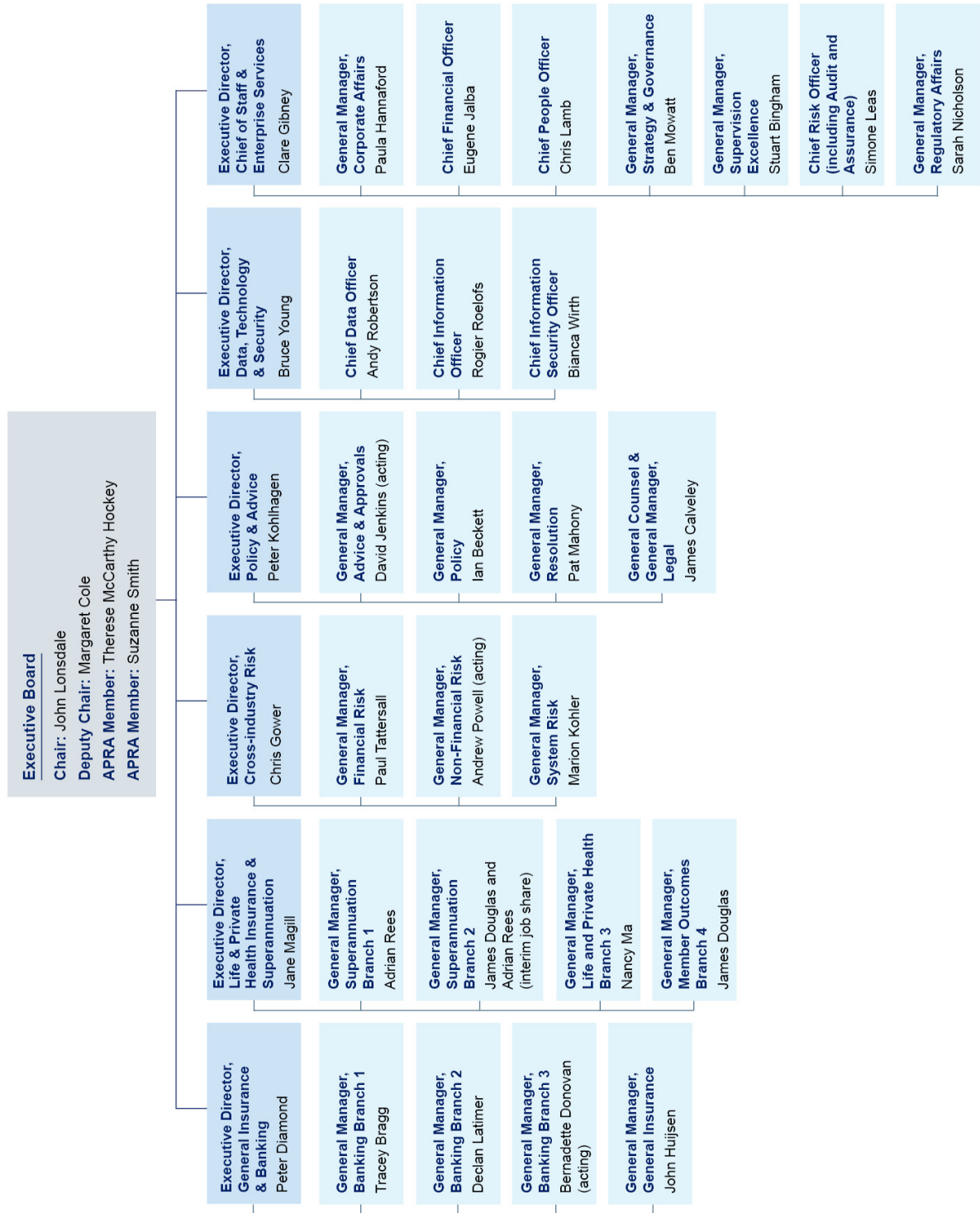
- John Lonsdale - Chair
- Margaret Cole - Deputy Chair
- Therese McCarthy Hockey - Member
- Suzanne Smith - Member

John Lonsdale, as Chair of APRA, was the accountable authority from 1 July 2025 to 30 June 2026.⁴ Biographies of Members are available in Chapter 3 of this report.

³ In July 2026, the Treasurer issued an updated Statement of Expectations and APRA responded with an updated Statement of Intent, outlining how it intends to meet those expectations. The latest versions of these documents are available at www.apra.gov.au/about-us/our-accountabilities-and-governance/government-expectations-apra

⁴ On 3 July 2026, the Treasurer announced the appointment of Therese McCarthy Hockey and David Bradbury as APRA Deputy Chairs for five-year terms effective 9 July 2026 and 1 September 2026 respectively. Deputy Chair Margaret Cole's term concluded on 30 June 2026

APRA's organisation chart⁵



⁵ As at 30 June 2026

Regulatory toolkit

APRA regulates banking, insurance and superannuation entities through five core functions:



Policy

APRA's policy function develops and maintains the prudential framework comprising relevant legislation, prudential standards and guidance. The framework establishes minimum requirements for entities to meet and provides the baseline for APRA's supervision activities. By design, APRA's prudential framework is proportionate and risk-based to reduce undue regulatory costs for industry.



Licensing

Before an entity can conduct a banking, insurance or superannuation business in Australia, it must be licensed by APRA. The licensing process ensures that the entity has the ability to comply with prudential regulatory requirements and, under all reasonable circumstances, to keep its financial promises to customers.



Supervision

APRA takes a proportionate approach to supervision: entities that pose greater risks to the financial system are subject to more intense levels of supervision.

A key part of the supervision process is the data that entities report to APRA. APRA also conducts regular reviews and assessments of entities. If APRA identifies risks, it intervenes early to find a solution before an entity's ability to meet its financial obligations is threatened.



Enforcement

APRA is prepared to take firm action where prudential risks are not being properly addressed. APRA's enforcement powers range from information collection to more coercive and intrusive measures such as imposing additional licence conditions and court-based action. APRA can draw on one or any combination of these powers and tools where appropriate to address prudential risks and support sound outcomes.



Resolution

The failure of an APRA-regulated entity is rare. In the unlikely event that an entity does fail, APRA's resolution function ensures an orderly exit from the industry, with little or no loss to customers, and minimal disruption to the financial system. Additionally, in such an event, the Australian Government provides an extra layer of protection to depositors and policyholders through the Financial Claims Scheme.

APRA-regulated entities

	Number of entities ¹			Assets (\$ billion)		
	30 Jun 25	30 Jun 26	% change	30 Jun 25	30 Jun 26	% change ²
ADIs ³	132	124	-6.1%	6,472.0	6,908.6	6.7%
Banks (excluding mutuals)	74	70	-5.4%	6,252.1	6,667.6	6.6%
Mutuals ⁴	52	48	-7.7%	210.2	229.2	9.1%
Other ADIs (not defined as banks or mutuals)	6	6	0	9.7	11.8	21.0%
Representative offices of foreign banks ⁵	17	17	0			
General insurers	87	88	1.1%	141.0	144.7	2.6%
Life insurers	22	22	0	132.0	132.5	0.4%
Friendly societies	10	10	0	12.6	14.8	17.5%
Licensed trustees	58	53	-8.6%			
Superannuation entities ^{6, 7}	776	673	-13.3%	3,047.4	3,411.5	11.9%
Public offer funds	72	67	-6.9%	2,717.3	3,078.5	13.3%
Non-public offer funds	15	12	-20.0%	328.6	331.5	0.9%
Small APRA funds ⁸	673	578	-14.1%	1.4	1.4	0
Approved deposit funds	4	4	0	0	0	0
Pooled superannuation trusts	12	12	0	261.6	294.9	12.7%
Private health insurers	30	28	-6.7%	21.3	21.7	1.9%
Non-operating holding companies	32	30	-6.3%			
TOTAL	1,147	1,028	-10.4%	9,826.2	10,633.7	8.2%

Notes:

¹ The figures for number of entities include entities that are in the process of winding up or deregistration but remain authorised entities as at the respective June year-end

² The percentage change for assets has been calculated using the underlying unrounded values

³ Asset figures for ADIs are predominantly sourced from the Economic and Financial Statistics (EFS) domestic books data collection

⁴ Mutual ADIs are defined as ADIs operating under a mutual corporate structure in accordance with ASIC Regulatory Guide 147

⁵ Number of representative offices of foreign banks has not been included in the ADI classification or total number of regulated entities, as APRA does not regulate them

⁶ This data excludes superannuation entities that APRA does not regulate, that is, exempt public sector superannuation schemes and Australian Taxation Office regulated self-managed superannuation funds

⁷ Pooled superannuation trust assets are not included in asset totals as they have already been included as part of other superannuation categories. The 'number' of pooled superannuation trusts, however, is included in totals

⁸ The decrease in the number of Small APRA funds is driven by wind-up of entities finalised over the 2025–26 financial year

Chapter 2

Performance

- **Statement of Performance**
 - Performance Results
 - Financial safety and stability
 - Regulatory balance and transparency
 - Organisational effectiveness

Addendums:

A: Collaboration and engagement

B: APRA-ASIC statement of engagement

Statement of Performance

Chair's Statement

I, John Lonsdale, as the accountable authority of the Australian Prudential Regulation Authority (APRA), present the annual performance statement of APRA for the 2025–26 reporting period, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In my opinion, this annual performance statement accurately presents the performance of APRA in the 2025–26 reporting period and complies with subsection 39(2) of the PGPA Act.

Performance Results

Throughout 2025–26, Australians continued to benefit from a stable and resilient financial system. Against a backdrop of rising global uncertainty, APRA-regulated entities remained financially and operationally resilient, supporting investment and economic growth. A critical area of focus for APRA was strengthening resilience to emerging risks, particularly cyber threats and geopolitical instability. At the same time, APRA reduced unnecessary regulatory burden for industry by simplifying requirements, removing duplication and introducing greater proportionality.

The following assessment outlines APRA's performance against the strategic objectives set out in its 2025–26 Corporate Plan. It is based on information available as at 30 June 2026.

Strategy on a page⁶

Our purpose and regulatory tools are...	Our purpose: We are Australia's prudential regulator and are responsible for ensuring that Australians' financial interests are protected. We promote the safety and stability of the financial system, while balancing competition and efficiency considerations. Our people enable our purpose, through their dedication and commitment to our work and our values. Our regulatory tools include our powers to set, supervise and enforce standards and if necessary, ensure the resolution of the entities in an orderly manner.		
underpinned by our strengths...	 System-wide Perspective	 Domestic and international relationships	 Values, expertise and insight
directed at our strategic objectives...	 Maintain financial and operational resilience	 Responding to significant and emerging risks	 Getting the balance right
to deliver our outcomes.	 Safety and resilience of regulated entities	 A stable financial system	 A financial system enabling good community outcomes

⁶ As set out in APRA's 2025–26 Corporate Plan: www.apra.gov.au/apra-corporate-plan-2025-26



As Australia's prudential regulator, APRA is responsible for promoting financial safety and stability. APRA does this through setting prudential standards – rules that banks, insurers and superannuation trustees are expected to meet. APRA takes a risk-based approach to supervising entities against these standards, using a combination of onsite and offsite activities. Where entities do not meet requirements or expectations, APRA uses supervisory or enforcement action to reduce risk. The results below demonstrate how APRA met its prudential objectives during the 2025–26 reporting period.

Maintaining financial and operational resilience

During the reporting period, APRA continued to strengthen the financial and operational resilience of regulated entities, enhancing their ability to withstand future shocks.

Financial resilience

Australia's financial system remains well positioned to withstand stress following more than a decade of prudential reform. However, geopolitical tensions, increasing interconnectedness and rapid technological change are altering how shocks may transmit through the system. During 2025–26, APRA took targeted action to strengthen financial resilience against these risks.

- **Improving the effectiveness of bank capital.** In December 2025, APRA finalised changes that will remove Additional Tier 1 (AT1) capital from the bank capital framework. Replacing AT1 with simpler and more effective capital instruments means that Australia's banking system will be better positioned to absorb losses and withstand future financial shocks. These changes will also reduce compliance costs for banks and enhance proportionality. Larger banks will need to replace AT1 with Common Equity Tier 1 (CET1) and Tier 2 capital while, under APRA's proportionate approach, smaller banks will be able to fully replace AT1 with Tier 2 capital. These new requirements will come into effect on 1 January 2027.
- **Strengthening bank liquidity practices.** During the reporting period, APRA's supervisors had a strong focus on driving improvements to banks' liquidity risk management practices. While Australian banks maintain strong liquidity and stable funding profiles, rising interconnectedness and digitalisation present new challenges. APRA worked with banks to strengthen diversification practices and uplift intraday liquidity risk management in response to emerging risks.
- **Maintaining prudent credit risk management.** APRA sharpened its supervision of banks' financial risk management in response to rising geopolitical concerns. Prior to the escalation of conflict in the Middle East, APRA subjected the largest banks to a fire-drill exercise to test their ability to quantify direct and indirect exposures quickly. APRA's work found relatively limited direct credit exposure to the region.

Operational resilience

During 2025–26, a critical priority for APRA was strengthening operational resilience amid a growing threat environment. While operational risk management practices have improved in recent years, cyber threats, increasing reliance on third-party providers and rapid technological change are creating new vulnerabilities. As risks evolve, so must industry practices.

A key milestone was the commencement of APRA's *Prudential Standard CPS 230 Operational Risk Management* (CPS 230) on 1 July 2025. This standard raised expectations for how entities manage operational risk, and was a key supervisory priority for 2025–26.

- **Targeted prudential reviews with large entities.** APRA undertook a series of targeted prudential reviews to test how selected entities had implemented the new prudential standard. Where material risks or shortcomings were identified, entities were issued with requirements to remediate these in a timely manner.
- **Managing risks relating to material service providers.** In October 2025, all regulated entities were required to submit, for the first time, a complete list of material service providers that they rely on for critical operations. APRA engaged with regulated entities to assess their approach to managing risks from third-party relationships, particularly where dependencies were assessed as high.
- **Addressing weaknesses in controls.** With the implementation of CPS 230, entities have been required to notify APRA of operational risk incidents or disruptions. During 2025–26, APRA received 43 notifications. While the majority of these were assessed as low risk, they have the potential to create more material problems if left unchecked. APRA engaged closely with entities to ensure issues were remediated in a timely manner.
- **Strengthening reserving practices.** On 1 July 2025, changes to the *Prudential Standard SPS 114 Operational Risk Financial Requirement* (SPS 114), which applies to superannuation trustees, came into effect. The revised standard strengthens operational resilience by improving trustees' ability to access operational risk reserves when needed and maintain appropriate reserving levels for this purpose.

Crisis preparedness

APRA continued to strengthen crisis preparedness during 2025–26. Key areas of focus included:

- **Resolution planning.** While APRA's strong focus on financial and operational resilience aims to reduce the likelihood of entity failure, effective resolution planning remains an important safeguard should failure occur. As Australia's resolution authority, APRA plays a critical role in preparing for the potential failure of regulated entities to minimise losses to beneficiaries and limit disruption to the broader financial system. During the reporting period, APRA worked with 14 large entities to develop and refine bespoke resolution plans, requiring these entities to implement pre-positioning actions and maintain capabilities to support their orderly resolution. Three plans were finalised in 2025–26.
- **Recovery and exit planning.** During the reporting period, superannuation trustees formally submitted their recovery and exit plans to APRA for the first time and large banks and insurers submitted updated plans. Under *Prudential Standard CPS 190 Recovery and Exit Planning* (CPS 190), entities are required to develop and maintain credible plans for responding to a stress that

could threaten their financial viability. APRA engaged closely with entities where gaps were identified, so that these were addressed in a timely manner.

- **Crisis simulations.** APRA collaborated with the Council of Financial Regulators (CFR) to conduct a crisis simulation exercise. This exercise was aimed at testing agency communication responses to a hypothetical bank failure. While improvements had been made, the exercise also highlighted opportunities to further strengthen cooperation arrangements.

Responding to system-wide risks

A core part of APRA's role is identifying emerging risks that could affect the financial system as a whole. During 2025–26, APRA worked closely with industry and other regulators to strengthen resilience and address vulnerabilities before they became more significant threats to financial stability.

Geopolitical risks

Alongside CFR counterparts, APRA continued to work with Australia's largest financial institutions to strengthen system-wide resilience to a range of geopolitical scenarios. A key outcome was the development of board-endorsed action plans to address identified vulnerabilities and strengthen resilience across the financial system. During the reporting period, APRA engaged closely with regulated entities to drive timely implementation of plans.

APRA also set clearer expectations for geopolitical risk management, following supervisory findings that industry practices were not keeping pace with the rapidly changing threat environment. In June 2026, APRA wrote to all regulated entities setting minimum expectations for boards and senior management in reducing risks. APRA will be following up on industry progress over the next reporting period.

Macroprudential risks

The macro-financial risk outlook changed significantly over the course of 2025–26. In the first half of the year, APRA's focus was on mitigating the potential risks to financial stability that could build in an environment of lower interest rates, stronger credit growth and high household indebtedness. In late 2025, APRA announced that it would introduce limits on lending at high debt-to-income ratios, after seeing an early increase in this form of higher risk lending.⁷

APRA's limits took effect on 1 February 2026, allowing authorised deposit-taking institutions (ADIs) to lend up to 20 per cent of new mortgage lending at debt-to-income ratios of six or more.⁸ Throughout 2025–26, lending remained well below the 20 per cent threshold.

In the second half of the reporting period, housing market conditions eased considerably. This reflected a combination of interest rate increases, tax changes announced in the federal budget and weaker sentiment. With conditions expected to slow further in the next reporting period, APRA will be closely monitoring the impact for financial stability and implications for macroprudential policy settings.

⁷ APRA kept its other macroprudential policy settings unchanged during the period. The mortgage serviceability buffer was retained at 3 percentage points and the countercyclical capital buffer at 1 per cent of risk-weighted assets

⁸ The limit applies separately to owner-occupier and investor lending

Stress testing

Amid an uncertain operating environment, APRA significantly expanded its stress testing program in 2025–26, using a wider range of scenarios to assess emerging risks. APRA's first multi-industry stress test examined connections between banking and superannuation, extending APRA's traditional focus on individual industries to the financial system as a whole. Key stress tests conducted in 2025–26 are set out below.

System risks and interconnectedness – banks and superannuation

In June 2026, APRA published the results of its system risk stress test. This was the first stress test undertaken by APRA that involved multiple regulated industries, representing a significant increase in stress testing capabilities. It explored how a shock could transmit across the banking and superannuation sectors, with a particular focus on whether the growing superannuation industry would play an amplifying or cushioning role in stress.

The exploratory exercise reinforced that the Australian system remains resilient to market and liquidity shocks. It demonstrated that the superannuation system can provide an important cushioning impact in stress, but there are also potential vulnerabilities, such as those related to concentration, mismatched assumptions and common dependencies, that could amplify stress events. In the next reporting period, APRA will incorporate these findings into its future supervisory and policy workplans.

A severe economic and operational shock – banks

During 2025–26, APRA examined the resilience of the banking system to a deep and prolonged global economic downturn. This was based on a common scenario designed by APRA, which included the unemployment rate reaching 10 per cent, housing prices falling by 40 per cent, funding costs rising and losses from a material operational disruption. The results showed that participating banks entered the stress from a position of strength and were able to absorb significant losses, with capital and liquidity remaining above regulatory minimums. Throughout the scenario, banks' modelling indicated that they would continue to provide essential financial services including being able to lend to households and businesses.

APRA also used desktop assessments to analyse emerging shocks without imposing additional burden on entities. This approach supported timely advice to government on the potential effects of the Middle East conflict on Australian banks.

Idiosyncratic risks – largest banks

APRA also conducted a targeted review of banks' own stress tests, which they must do as part of their own capital and liquidity management. These exercises are an important complement to APRA-designed common scenarios, as they allow for a more institution-specific focus. APRA's review was targeted at six large domestic banks. The review showed that these banks are adequately assessing their resilience against a range of possible scenarios with different levels of severity.

Climate vulnerabilities – insurers

In March 2026, APRA released the results of its Insurance Climate Vulnerability Assessment. The assessment sought to better understand a significant long-term challenge for Australia's financial system: climate-driven increases in insurance premiums could materially widen the home insurance protection gap, leaving more households exposed to loss and reducing resilience. APRA worked with Australia's five largest general insurers to assess how the protection gap could evolve under stressed

conditions. The findings will inform APRA's ongoing engagement with industry and government on the implications for financial stability.

Cyber resilience and Artificial Intelligence (AI)

During the reporting period, APRA increased its engagement with industry and government agencies to strengthen resilience to cyber and AI risks. Key actions included:

- **Strengthening expectations of AI risk management.** A key area of focus for APRA was lifting AI-related risk management and governance. In April 2026, APRA wrote to regulated entities setting out its concerns that governance, risk management and operational resilience practices were not keeping pace with the scale, speed and complexity of AI adoption. Boards and assurance functions of regulated entities need to build stronger technical literacy so that they can provide effective challenge and oversight on AI-related risks. APRA expects that entities will demonstrate clear improvements in the next reporting period.
- **Enhancing information sharing.** APRA and the Australian Securities and Investments Commission (ASIC) convened several industry roundtables during the reporting period to facilitate rapid information sharing on emerging cyber and frontier AI risks. These roundtables brought together industry and government stakeholders to discuss evolving threats and to identify opportunities for collaboration in reducing risks. This new cross-regulator approach strengthened collective resilience and reduced burden on regulated entities by replacing multiple separate engagement processes with a single coordinated forum.

Investment governance and member outcomes

APRA continued its strong focus on holding trustees to account for acting in members' best financial interests. In August 2025, APRA published the results of the 2025 Performance Test – 563 superannuation products were assessed, representing 62 per cent of APRA-regulated superannuation member benefits. Seven products failed the test. Overall outcomes have improved markedly since the test was introduced, with around 8,500 members investing in products that failed the 2025 test, compared to around one million members in 2021.

In October 2025, APRA published findings from a thematic review covering trustees responsible for 95 per cent of superannuation platform assets. The review identified weaknesses in investment governance, and APRA subsequently took enforcement action against five trustees for material failings.

APRA also focused on the long-term sustainability of member outcomes. In October 2025, APRA published an information paper *Delivering member outcomes into the future*. The paper sought to assist trustees' strategic planning by providing greater transparency on the structural and competitive challenges facing the sector. Throughout the reporting period, APRA engaged with relevant trustees to ensure that they had credible plans to address these challenges in the best financial interests of members.

APRA also worked closely with ASIC to improve retirement outcomes. In November 2025, APRA and ASIC released the *2025 Retirement Income Covenant Pulse Check* report, which found a growing gap between trustees that were innovating to improve retirement outcomes and those that were not. APRA will maintain close supervisory oversight in 2026-27 and expects trustees to accelerate improvement.

To support greater transparency for retirement outcomes, APRA began consulting in March 2026 on the implementation of the *Retirement Reporting Framework*. The framework is one of several government initiatives originally announced in November 2024 to uplift the retirement phase of superannuation. APRA's role is to collect and publish the data required to give effect to the framework. It has carefully designed its consultation package to achieve government objectives without undue regulatory impact.

APRA maintained its supervisory focus on fund expenditure, building on previous initiatives aimed at increasing transparency of super fund expenditure.

Entity-specific risks

While many risks are system-wide, significant prudential concerns can also emerge within individual entities. APRA typically aims to address these risks through supervision. However, where concerns are material, persistent or not being addressed adequately, APRA will use its enforcement powers to protect beneficiaries, strengthen accountability and promote financial safety and stability.

Enforcement

During 2025–26, APRA took enforcement action against ten entities and three individuals in response to serious prudential concerns relating to governance, accountability, expenditure and risk management. APRA makes its enforcement actions public, where appropriate, to strengthen accountability and support better risk management across the financial system. During 2025–26, APRA's enforcement actions included:

- Imposing licence conditions on six superannuation trustees to address prudential concerns relating to their investment governance, expenditure management and risk management. The trustees were: Diversa Trustees Pty Limited, Equity Trustees Superannuation Limited, Fiducian Portfolio Services Limited, Australian Ethical Superannuation Limited, HTFS Nominees Pty Limited (trustee for HUB24) and H.E.S.T. Australia Limited.
- Accepting a court enforceable undertaking from Netwealth Superannuation Services Pty Limited to address material weaknesses in its investment governance framework and practices.
- Imposing licence conditions and applying increased capital requirements on KeyInvest Limited in response to weaknesses in its risk management framework.
- Applying a \$50 million operational risk capital add-on to Bendigo and Adelaide Bank to address weaknesses in non-financial risk management practices and risk culture.
- Applying an additional \$2 million capital requirement to Sovereign Insurance Australia Pty Limited due to weaknesses in managing non-financial risk and regulatory reporting.
- Disqualifying three former accountable people (the Chair, CEO and a non-executive director) of Xinja Bank under the Financial Accountability Regime for failing to comply with their accountability obligations.

Enforcement action is generally accompanied by heightened supervisory oversight. During 2025–26, APRA removed or reduced several longstanding measures following substantial remediation efforts:

- APRA removed the remaining \$500 million operational risk capital add-on applied to Westpac in 2019, following the completion of a multi-year risk transformation program which addressed APRA's prudential concerns regarding culture, governance and accountability.
- APRA reduced the additional liquidity requirements applied to Macquarie Bank in 2021 and 2022 following the remediation of aspects of Macquarie's liquidity risk management and reporting

controls. APRA also reduced the Net Cash Outflow overlay applied from 25 to 15 per cent and removed the Available Stable Funding adjustment.

New entries and exits

A dynamic financial system requires both new entrants and orderly exits. As prudential regulator, APRA is responsible for licensing new entrants and ensuring that any exits take place in a safe and orderly manner. During the reporting period, APRA licensed two new entrants and oversaw three orderly exits.⁹

Licensing

During the reporting period, APRA granted two new licences to entities seeking to conduct prudentially regulated activities. APRA granted a new licence to AmTrust Specialty Limited, which operates in Australia as a branch of its UK-based parent company and provides specialty insurance for legal expenses. APRA also granted a licence to Europ Assistance Australia Pty Ltd, an international insurer focused on travel insurance products.

In addition, APRA continued to engage with a range of prospective applicants that are seeking an APRA licence – as at 30 June 2026, APRA was in early-stage discussions with 10 prospective new entrants, primarily in the banking and payments industries.

Orderly exits

During the reporting period, APRA oversaw the solvent and orderly exit of three APRA-regulated entities from prudential activities, ensuring that these occurred in a way that did not cause major disruption for customers, the financial system and public finances. Beneficiaries of APRA-regulated entities did not experience any reported losses from these exits.

- In January 2026, in1Bank announced that it intended to return all funds to depositors and relinquish its licence to operate as an ADI. APRA closely monitored the return of deposits to customers to ensure this was done in an orderly and timely manner – this was fully completed in March. APRA formally revoked in1Bank's banking licence in May 2026.
- In March 2026, APRA agreed to a request from the Bank of Nova Scotia – a foreign branch of a Canadian bank – to revoke its licence to operate as an ADI. As a foreign branch, Bank of Nova Scotia did not hold retail deposits.
- In May 2026, APRA revoked Eric Insurance's authority to carry on insurance business in Australia, following a written request from the entity's voluntary administrator. Eric Insurance, a small general insurer that provided add-on motor vehicle-related products, made the commercial decision to exit the general insurance market in July 2023 and completely ceased writing new insurance policies in June 2024.

Performance against targets

For the 2025–26 reporting period, APRA set ten performance targets for financial safety and stability.¹⁰ APRA's results demonstrate the continued resilience of the Australian financial system in a period of heightened uncertainty. APRA-regulated entities remained financially and operationally resilient,

⁹ The orderly exits are in addition to licence revocations from entities merging with, or transferring business to, other entities

¹⁰ Nine out of ten measures were able to be measured in the 2025–26 reporting period – data for one measure is based on external survey results, for which data will be available in the next reporting period (2026–27)

industry stress testing confirmed the capacity of the banking system to withstand severe shocks, and no losses were reported from entities exiting regulated activity. These outcomes reflect that regulated entities entered the reporting period in a position of strength, as well as APRA's ongoing efforts to reinforce resilience across the financial system.

APRA's performance was outside target for one measure relating to superannuation members exposed to unsustainable funds. This reflected a small increase in the number of trustees facing multiple strategic challenges, including operational efficiency, growth and competitive positioning. While the measure increased during the reporting period, it remains well below historical averages. APRA will continue to hold trustees to account for delivering better long-term outcomes for members.

Outcome	Performance measure	Measure target	Results 2025–26
APRA-regulated entities are financially resilient 	1. Reported prudential capital ratios for banks and insurers	Low incidence of banks and insurers falling below minimum requirements	Achieved Low incidence. Some small insurers are in run-off
	2. Standard & Poor's risk rating for the Australian banking system	Low risk rating for the Australian banking industry institutional framework	Achieved Very low risk rating ¹
In the event of failure, Australian beneficiaries are protected 	3. Money Protection Ratio – per cent loss in the financial sector due to the failure of a regulated institution ²	Low incidence of loss	Achieved 100% No reported losses from entity exits
	4. Performing entity ratio – per cent failure amongst regulated institutions ³	Low incidence of failure	Achieved 99.5% 2 entity exits involved material APRA action
APRA-regulated entities are operationally resilient 	5. Qualitative assessment of operational disruptions at APRA-regulated entities	Low incidence of operational disruptions that materially affect beneficiaries	Achieved APRA regulated entities were operationally resilient, despite a rising threat environment
APRA supervisors are holding regulated entities to account for addressing material prudential risks 	6. Number of APRA-regulated entities in formal APRA remediation for longer than 12 months	Low incidence of regulated entities over the reporting period	Achieved No entities exceeded the threshold
	7. Stakeholders agree that APRA's supervision enhances the financial and operational strength of regulated entities	80 per cent or more of survey respondents	Data not available New data will be available in the 2026-27 reporting period

Outcome	Performance measure	Measure target	Results 2025–26
The financial system can withstand future stress 	8. Stress test results at an industry level	Industry can withstand a severe, plausible shock without breaching minimum requirements	Achieved Industry stress testing results indicated that the banking system is resilient to a severe but plausible scenario
Superannuation funds are managing funds in members' best financial interests 	9. Number of superannuation members exposed to unsustainable funds ⁴	Reduction during the reporting period or zero	Not achieved Increased from 763,700 to 1,031,300 ⁵ This result follows a large reduction over several years. The net decline over the past five years was 3,047,900
	10. Number of superannuation members in MySuper or Choice products that fail the Performance Test	Reduction during the reporting period or zero	Achieved Reduced from 17,100 to 8,500 ⁶

¹ Banking Industry Country Risk Assessment rating of 2

² The Money Protection Ratio indicates the incidence of loss in the financial sector. It is measured as the dollar value of liabilities to beneficiaries in Australia in a given year less any losses due to prudential failures, divided by the total dollar value of liabilities to beneficiaries in Australia for APRA-regulated entities. The higher the percentage the lower the incidence of loss

³ The Performing Entity Ratio indicates the incidence of failure. It is measured as the number of regulated entities that met their commitments to beneficiaries in a given year divided by the total number of regulated entities. The higher the percentage, the lower the incidence of failure

⁴ Scorecard methodology applied by APRA in line with factors referenced in the APRA Information Paper, *Delivering member outcomes into the future* (October 2025)

⁵ Increase attributable to a small number of additional funds being flagged as facing strategic challenges per scorecard methodology. Result compares the change from June 2025 to June 2026. Figures rounded to nearest hundred

⁶ Result compares the change from the 2024 Performance Test (for the period ending June 2024) to the 2025 Performance Test (for the period ending June 2025). Figures rounded to nearest hundred



Regulatory balance and transparency

APRA's 2025–26 Corporate Plan established a new strategic objective, '*Getting the balance right*', which reinforces APRA's focus on achieving strong prudential outcomes in the most efficient and proportionate way. During the reporting period, APRA progressed a range of actions to simplify requirements, reduce duplication and improve proportionality, without weakening resilience. APRA also worked more closely with other regulators to coordinate engagement and initiatives, helping industry achieve better regulatory outcomes with less cost and effort.

Getting the balance right

APRA's 2025–26 Corporate Plan set out nine actions to reduce burden on industry. Throughout the year, APRA also identified additional opportunities, as set out below.

Bank capital reforms

In March 2026, APRA announced that it would make targeted amendments to the standardised capital framework for banks to better align capital requirements with underlying risk. APRA's initial estimates suggest these changes could materially increase lending capacity, supporting business investment and productivity. APRA will consult on specific changes in the next reporting period.

Harmonisation of Australian and New Zealand rules

During the reporting period, APRA worked with New Zealand authorities to align prudential requirements and resolution approaches for trans-Tasman banks. Once implemented, harmonisation of APRA and Reserve Bank of New Zealand (RBNZ) capital rules could result in a \$175 million reduction in annual costs for banks operating in both jurisdictions.

Simplifying the bank licensing regime

In May 2026, APRA publicly consulted on changes to streamline the bank licensing regime. These proposals aim to make the application process more efficient for high-quality new entrants and will reduce the time taken to assess new licence applications by around half. APRA expects to finalise these changes in the next reporting period.

Reducing capital requirements for annuity products

In March 2026, APRA finalised reforms that will lower capital requirements for life insurers offering annuity products, in recognition of enhanced risk management. While impacts vary, some entities estimate that the changes will reduce capital requirements by up to 7 per cent. In aggregate, these changes will lower the cost to life insurers of providing annuity products, helping to attract participants and support growth in this market.

Reducing data reporting burden

During the reporting period, APRA took a range of actions to reduce data and reporting burden.

- **Reducing duplicative data requests.** APRA increased its sharing of data with other regulators, reducing the need for separate and duplicative requests to industry. During the year to June 2026, APRA shared 123 recurring and ad hoc data files with external stakeholders, up from 95 in the previous year. This work was reinforced by new protocols that APRA developed alongside ASIC, to improve coordination on data requests more broadly.
- **Streamlining reporting.** In parallel, APRA progressed work with ASIC to reduce reporting requirements under the Financial Accountability Regime for banks, insurers and superannuation funds. Under the proposed changes, entities would no longer need to report changes to accountability statements for 4,500 individuals. APRA and ASIC will consult on specific changes in the next reporting period.
- **Revoking reporting standards.** In December 2025, APRA announced that it would revoke seven superannuation reporting standards with immediate effect, given that these were no longer considered necessary.

Promoting access to cost-effective reinsurance

In October 2025, APRA consulted on changes aimed at promoting access to more cost-effective forms of reinsurance. These changes aim to provide insurers with greater flexibility in meeting their prudential requirements, helping to reduce future pressure on insurance premiums. APRA's changes will be finalised and implemented in the next reporting period.

Providing greater clarity on supervisory expectations

During the reporting period, APRA improved how it communicates adjustments to minimum capital requirements. The changes provide banks with greater clarity on APRA's concerns and what is required to address them, helping banks remediate risks more quickly and reducing the need for prolonged capital overlays.

Promoting access to internal capital modelling

During 2025–26, APRA consulted on, and finalised, changes that simplify and clarify the accreditation process for banks seeking to use internal modelling for regulatory capital purposes. The new pathway has the potential to boost competition, without undermining financial safety, by incentivising banks to invest in advanced risk management capabilities.

Introducing further proportionality

In May 2026, APRA announced it would introduce a third tier into its proportionality framework for banks. The previous framework was based on a two-tiered system that subjected smaller institutions to simpler and fewer prudential requirements. The new three-tiered system allows APRA to introduce more nuance into its prudential requirements, supporting further simplification over time.

Removing unnecessary or duplicative rules

In June 2026, APRA consulted on changes that will address overlap between reporting obligations that apply to entities under APRA's fitness and propriety requirements and those that apply under the Financial Accountability Regime. APRA's objective is to reduce duplication and compliance burden, while preserving accountability standards. The proposed changes are expected to be finalised in the next reporting period.

Continuing to coordinate with peer agencies on payments reform

APRA continued to work with ASIC, the Reserve Bank of Australia (RBA) and Treasury on proposed reforms to the regulation of Stored Value Facilities (SVF). The proposed reforms will give APRA a new role in regulating certain SVFs and aim to simplify the existing regulatory framework, to better support innovation and competition. APRA intends to consult external stakeholders on its proposed requirements for SVFs, following the planned introduction of legislation giving effect to APRA's new role.

Strengthening regulatory stewardship

During 2025–26, APRA progressed a broad program of work aimed at more firmly embedding productivity, competition and efficiency considerations into its decision-making processes. Key initiatives included:

- **Embedding productivity considerations into supervision.** APRA updated its supervisory training to place greater emphasis on productivity, competition and regulatory burden considerations. The training encourages supervisors to take a more proportionate approach, including better targeting information requests.
- **Understanding the cumulative impact of regulation.** APRA engaged closely with industry to better understand the cumulative impact of regulatory requirements. This work reinforced the importance of coordination across regulators and informed initiatives to reduce duplication and data burden.
- **Earlier and deeper industry engagement.** APRA met with industry earlier and more frequently in the policy development process. This close and open dialogue aims to ensure that the prudential framework remains risk-based and proportionate. During 2025–26, APRA held 98 meetings and roundtables in support of policy consultations.
- **Stronger cost-benefit analysis.** APRA's governance processes were updated to include a stronger focus on cost-benefits earlier in the policy decision-making process.
- **Coordinating with other regulators.** APRA worked closely with other agencies to support the government's better regulation agenda. Together with ASIC, APRA led the Council of Financial Regulators' efforts to improve how regulatory data is collected, shared and used, reducing burden on industry while maintaining strong regulatory outcomes. This complemented existing coordination through the Regulatory Initiatives Grid.

Performance against targets

For the 2025–26 reporting period, APRA introduced five new performance measures relating to regulatory balance and transparency. These measures demonstrate how APRA is reducing unnecessary burden while continuing to deliver its prudential mandate.

APRA met all measurable performance targets relating to regulatory balance and transparency during the reporting period.¹¹ APRA's results demonstrate tangible progress in reducing unnecessary regulatory burden, while maintaining strong prudential outcomes. APRA will continue to refine its measures and targets in future reporting periods to ensure they drive continuous improvement.

Outcome	Performance measure	Measure target	Results 2025–26
APRA adequately balances competition and efficiency considerations 	11. Stakeholders agree that APRA effectively pursues financial safety, balanced with considerations of efficiency, competition, contestability and competitive neutrality	80 per cent or more of survey respondents	Data not available. New data will be available in the 2026–27 reporting period
	12. Qualitative assessment based on trends in banks' lending	The prudential framework does not unduly restrict banks' ability to lend to households and businesses	Achieved APRA's prudential framework continued to support credit availability ¹
Larger and more complex entities are subject to more stringent prudential requirements 	13. Qualitative assessment based on new major policy reforms	Non-SFIs are subject to simpler requirements or other transitional support, where appropriate	Achieved Of the 7 major new policy reforms, APRA introduced additional proportionality into 4 reforms ²
Larger and more complex entities are subject to more heightened supervisory demands 	14. Number of formal supervisory engagements for large and complex entities compared to small and less complex	On average, Tier 1 entities are subject to significantly more formal supervisory engagements than Tier 4 entities	Achieved Tier 1 entity engagements significantly exceed Tier 4 engagements
APRA's policy changes are subject to external scrutiny 	15. Policy consultations undertaken	All major policy proposals are subject to public review and APRA publicly responds to issues raised by external stakeholders	Achieved All major policy reforms were subject to public review. APRA conducted 11 consultations in respect of the 7 major policy reforms

¹ Lending activity remained strong across key segments, with continued growth in housing, business and small business credit amid strong overall credit demand

² Of the remaining three, two involved an overall simplification and the other was subject to the finalisation of legislation

¹¹ Four measures were able to be measured in 2025–26. Data for one measure is based on external survey results and will be reported next year. For this measure, APRA will need to improve on its 2024 results to meet its target.



Organisational effectiveness

During 2025–26, APRA directed significant efforts towards upgrading its technology, data and cyber capabilities, expanding its use of AI and strengthening its supervisor training. Further investment will be needed to keep pace with a more complex risk environment.

Strengthening data capabilities and security

As the central data collection agency for the financial sector, APRA collects information for its own supervisory purposes and shares significant amounts of information with other government agencies. During the reporting period, APRA continued to uplift its controls to mitigate against threats and deliver data efficiencies for industry.

- **Enhancing data collection and reporting.** In March 2026, APRA decommissioned its legacy Direct to APRA (D2A) data submission system for entity access. At the same time, APRA accelerated its program to transition all its data collections onto a single interface, APRA Connect, by the end of December 2026. The new system will provide an enhanced user experience, improved performance and stronger security. APRA estimates long-term savings for industry at approximately \$6 million annually.
- **Strengthening version 2.0 and privacy.** APRA continued to strengthen its cyber security and privacy capabilities to address a more challenging threat environment. This included further investments to align with key government security and privacy frameworks, including the Australian Signals Directorate's Essential Eight, the Protective Security Policy Framework and the Australian Privacy Principles.
- **Improving digital services and user experience.** APRA upgraded its external website, making it more accessible and secure for users. The new website was launched in June 2026, with improved navigation, better functionality, and more accessible information.

Delivering excellence in supervision

During 2025–26, APRA continued to strengthen the capability, tools and methodologies available to supervisors, with a strong focus on AI. These investments are improving supervisors' ability to identify emerging risks, make timely decisions and focus resources where they are most needed. Key initiatives included:

- **Stronger supervisory capabilities.** APRA developed more rigorous and immersive training for its supervisors. Building on existing training programs, APRA established the supervision development centre. Facilitated twice a year, these centres use scenario-based training to empower supervisors with the skills and confidence to navigate complex challenges and act decisively.

- **Sharper supervisory tools.** APRA developed automated tools for supervisors that support more data-driven, proportionate, and timely supervisory decision-making. In November 2025, APRA implemented an enhanced supervisory management system on a new cloud-based platform. This system significantly improves data accessibility for supervisors, enabling more timely decision-making. New dashboards were piloted with banking supervisors and will be rolled out more broadly in the next reporting period.
- **AI-enabled supervision.** During 2025–26, APRA continued to build its AI capabilities to support more effective supervision and decision-making. Foundational AI tools were rolled out across the organisation to improve productivity and support routine supervisory activities. In parallel, APRA developed a more ambitious AI strategy aimed at improving how it identifies and responds to emerging risks. Implementation of this strategy will continue in the next reporting period.
- **Refining supervisory frameworks and methodologies.** APRA commenced a review of its Supervision Risk and Intensity (SRI) model to ensure it remains fit for purpose in a more complex and uncertain operating environment. APRA's SRI model is the central tool by which all regulated entities are assessed. The model was introduced in 2020 and is used to guide APRA's allocation of its supervisory resources and overall level of supervisory intensity. APRA plans to implement changes in the next reporting period.

Maintaining a high-performance culture

APRA continued to invest in its leadership and capabilities. APRA has a multi-year people strategy aimed at equipping APRA's workforce to respond to a rapidly changing environment through stronger leadership, critical capabilities, and an engaged, purpose-driven culture.

- **Remuneration framework.** During the reporting period, APRA developed a new remuneration framework, following a review which commenced in September 2025. The framework provides greater clarity on performance and capability expectations and strengthens the link between performance, development and remuneration outcomes. The changes are intended to support accountability and a high-performance culture.
- **Leadership.** APRA continued to invest in leadership capability through targeted development for leaders and senior managers. These initiatives were designed to strengthen leadership impact, decision-making and organisational effectiveness in an increasingly complex operating environment.
- **Development.** APRA continued to invest in building critical capabilities across the organisation. New employees brought additional expertise, fresh perspectives and specialised skills, complementing APRA's existing institutional knowledge.

Collaboration and engagement

Effective management of financial system risks depends critically on coordination across agencies and jurisdictions. During 2025–26, APRA worked closely with domestic and international partners to strengthen resilience, share intelligence and coordinate responses to emerging risks.

Domestic regulatory cooperation

During the reporting period, APRA worked closely with peer regulators on a range of policy and supervisory matters. Much of this cooperation and coordination was facilitated through the Council of Financial Regulators (CFR). The CFR is the main coordinating body for Australia's financial

regulators, bringing together APRA, ASIC, RBA, and Treasury. The CFR agencies engage closely to promote the stability of the financial system and address shared challenges.

APRA also participated in a range of bilateral engagements with regulatory peers, at both working and senior leadership level. These engagements provide an important forum for assessing risks, sharing analysis and market intelligence, and discussing how agencies can coordinate their responses. Key areas of focus were coordinating enforcement activities and agency responses to geopolitical, cyber and AI risks.

During the reporting period, an important priority for APRA was working with regulatory peers on joint initiatives to reduce regulatory burden for industry. APRA and ASIC led a series of roundtables focused on reducing data burden, bringing together a range of industry groups and regulators – outcomes from this work are summarised in the ‘getting the balance right’ section. APRA’s key bilateral domestic engagements are summarised at Addendum A.

International regulatory cooperation

International cooperation with other regulators is crucial to the effective supervision of entities that operate in multiple jurisdictions. During the reporting period, APRA maintained strong international relationships with peer regulators and international standard-setting bodies.

An important relationship for APRA is the RBNZ – during 2025–26, APRA held several engagements with RBNZ banking supervisors, to enhance information-sharing, develop a shared agenda for addressing risks and coordinate in communicating key supervisory messages to regulated entities. A key example of this was the joint stress test announced by APRA and RBNZ in May 2026, which is due to occur in the next reporting period.

APRA’s participation in international forums is also an important mechanism for APRA to shape the direction of international financial standards. APRA contributed to international discussions on a range of emerging risks for the financial system, including cyber and AI risk, climate risk and macroprudential risks. APRA is a member of key international forums and standard-setting bodies including:

- Basel Committee on Banking Supervision (BCBS)
- Executives’ Meeting of East-Asia Pacific Central Banks (EMEAP)
- Financial Stability Board (FSB)
- International Association of Insurance Supervisors (IAIS)
- International Organisation of Pension Supervisors (IOPS)
- Trans-Tasman Council on Banking Supervision (TTBC).

Further details on the roles of these bodies, and APRA’s participation, are provided at Addendum A.

Independent review and assessment

During the reporting period, Australia was subject to a Financial Sector Assessment Program (FSAP) conducted by the International Monetary Fund (IMF). The FSAP is an in-depth assessment of a country’s financial sector, which aims to identify vulnerabilities, assess regulatory and supervisory frameworks and make recommendations to enhance regulator effectiveness.

The IMF's review provides a valuable opportunity for benchmarking APRA against international best practice, in line with APRA's vision to be a world-class prudential regulator. During the reporting period, APRA supported the review through self-assessments, provision of supervisory data and participation in in-country visits. The IMF's findings and recommendations will be released in the next reporting period.

Parliamentary accountability

During the reporting period, APRA appeared at 10 Senate Estimates hearings and parliamentary inquiries. At these hearings, APRA provided evidence on its supervisory activities, strategic priorities, and cooperation with peer regulators, enhancing transparency and accountability about the use of public resources. APRA also responded to almost 200 questions received on notice from parliamentarians.

Supplementing these appearances, APRA made six public submissions to assist a range of parliamentary inquiries, including inquiries into:

- small business insurance
- productivity in Australia (twice)
- schemes, digital wallets, and innovation in the payments sector
- operation of the capital gains tax discount
- operation and appropriateness of the superannuation and pension schemes for current and former members of the Australian Defence Force.

Stakeholder engagement

Communication with industry and other stakeholders is an essential part of delivering APRA's strategic objectives. During the reporting period, APRA launched an upgraded website to improve user experience. APRA's senior leaders made a range of speeches on various topics to help the public in understanding APRA's role. APRA also issued policy consultation papers, media releases, and information letters to highlight how its prudential expectations are evolving in line with the risk outlook.

Key communications and engagements

Activity	2023–24	2024–25	2025–26
Policy consultations conducted	20	7	17
Information letters issued to industry	55	30	34
Presentations at formal speaking engagements	54	58	51
Media releases issued	45	58	63
Parliamentary hearings attended	7	7	10

Performance against targets

APRA's results demonstrate continued progress in strengthening its organisational effectiveness. During the reporting period, APRA maintained strong financial discipline, improved its supervisory tools and capabilities, and continued to modernise its technology and data environment. Further uplift will be required to ensure APRA remains effective in an increasingly complex and rapidly changing operating environment. Of the three measures able to be assessed in the reporting period, two targets were achieved and one was narrowly missed.

APRA will continue to refine its organisational effectiveness measures and targets in future reporting periods to ensure they remain meaningful and support continuous improvement.

Outcome	Performance measure	Measure target	Results 2025–26
APRA manages its operations efficiently 	16. APRA Connect data submissions complete within 1 hour	99 per cent or more	Achieved 100%
	17. Services are delivered in line with commitments in APRA's Service Charter	100 per cent as per APRA's service charter	Not achieved 1 of 8 service charter commitments not met ¹
APRA manages its resources efficiently 	18. Budgeted versus actual expenditure	Within budget	Achieved Expenditure was \$276m against a budget of \$280m ² Variance of \$4m
APRA's communication is clear 	19. Stakeholders agree that APRA's prudential standards are effective in communicating APRA's requirements	80 per cent or more of survey respondents	Data not available New data will be available in the 2026–27 reporting period

¹ Under APRA's service charter, APRA has eight commitments aimed at delivering timely and predictable engagements with entities, primarily for supervisory decisions. During the year, APRA fell slightly short of one commitment. This related to APRA's commitment to respond to data queries from regulated entities within five business days – one of the 297 data queries managed by APRA was delayed outside the target timeframe

² APRA's original Total Expense Budget, as reported in the financial statements, is \$269m. Following approved Movements of Funds, APRA's allowable expenditure increased to \$280m

Addendum A – Collaboration and engagement

Domestic engagements

APRA's key bilateral domestic engagements during 2025–26 included:

- APRA Member attendance at CFR meetings, as well as working-level engagement
- APRA Member meetings with ASIC Commissioners, through the APRA-ASIC Committee, as well as working-level engagement
- APRA Member meetings with Treasury executives, as well as working-level engagement, particularly in relation to financial services policy-related matters
- APRA Member meetings with Australian Competition and Consumer Commission (ACCC) Commissioners, as well as working-level engagement
- APRA Member and executive-level meetings with peers at the RBA, as well as working-level engagement, particularly in relation to macroprudential matters
- APRA executive-level engagement with peers at the Australian Transaction Reports and Analysis Centre (AUSTRAC), as well as working-level engagement
- Regular working-level engagement with the Australian Financial Complaints Authority
- APRA executive meetings with peers at the Australian Taxation Office, as well as working-level engagement
- APRA engagement with non-financial sector agencies, including the Australian Signals Directorate, the Australian Security Intelligence Organisation, Office of National Intelligence, Department of Home Affairs, Department of Industry, Science and Resources, the Office of the Australian Information Commissioner, and the Digital Transformation Agency.

International engagements

APRA's key international engagements during 2025–26 included:

Basel Committee on Banking Supervision (BCBS)

Purpose

The BCBS is the primary global standard-setter for the prudential regulation of banks and provides a forum for cooperation on banking supervisory matters. Its mandate is to strengthen the regulation, supervision, and practices of banks worldwide with the purpose of enhancing financial stability.

APRA involvement

APRA is actively involved in all levels of the BCBS as the lead Australian agency. APRA is a member of the Governors and Heads of Supervision and main BCBS committee, as well as working groups including the Policy and Standards Group, Risks and Vulnerabilities Assessment Group, Supervisory Cooperation Group, and taskforces.

Key meetings

APRA attended five BCBS Committee meetings: three virtual, one in Mexico City, Mexico, and one in Basel, Switzerland.

Executives' Meeting of East Asia-Pacific Central Banks (EMEAP)

Purpose

EMEAP brings together central banks and prudential regulators in the east Asia-Pacific region to discuss issues relevant to monetary policy, financial markets, financial stability, and payment systems.

APRA involvement

APRA is a regular participant at all levels: Governors and Heads of Supervision meetings (GHOS), Working Group on Banking Supervision meetings (WGBS) and High-Level meetings (HLM).

Key meetings

APRA attended one GHOS meeting in Bangkok, Thailand, and one HLM in Tianjin, China.

Financial Stability Board (FSB)

Purpose

The FSB promotes international financial stability by coordinating national financial sector authorities and international standard-setting bodies as they develop strong regulatory, supervisory, and other financial sector policies. It also plays a central role in identifying and assessing evolving global trends and risks and fosters a level playing field by encouraging coherent implementation of these policies across sectors and jurisdictions.

APRA involvement

APRA is a member of the FSB Standing Committee on Supervisory and Regulatory Cooperation (SRC), as well as a number of working groups such as the FSB Resolution Steering Group.

Key meetings

APRA participated in three SRC meetings: one in Basel, Switzerland and two virtual meetings.

International Association of Insurance Supervisors (IAIS)

Purpose

The IAIS is the global standard-setting body responsible for developing and assisting in the implementation of principles, standards, and guidance for the supervision of the insurance sector. The IAIS's mission is to promote effective and globally consistent supervision of the insurance industry to develop and maintain fair, safe, and stable insurance markets for the benefit and protection of policyholders, and to contribute to global financial stability.

APRA involvement

APRA is a member of the IAIS Executive Committee (ExCo) representing the Oceania region. APRA also serves as the Chair of the Audit and Risk Committee and as a member of the IAIS's Standards and Supervisory Practices Committee, the Monitoring and Risk Assessment Committee, the Fintech Forum, and a range of other working groups and taskforces.

Key meetings

APRA participated in several key IAIS engagements: the IAIS Annual Conference, Annual General Meeting and Committee meeting in Tirana, Albania; five virtual ExCo meetings; hosting the IAIS macroprudential working group meeting in Sydney, Australia; and IAIS Committee meetings in Basel, Switzerland.

International Organisation of Pension Supervisors (IOPS)

Purpose

IOPS aims to set international standards on pension supervisory issues, whilst taking into account the variety of different pension systems in various jurisdictions. The primary goal of IOPS is to improve the quality and effectiveness of the supervision of private pension systems throughout the world, thereby enhancing their development and operational efficiency, and allowing for the provision of a secure source of retirement income in as many jurisdictions as possible.

APRA involvement

APRA is a member of the IOPS Executive Committee and the Working Party on Private Pensions. APRA also provides input into papers, provides training via online workshops and shares best practice via periodic surveys.

Key meetings

APRA participated in three IOPS engagements, two in Paris, France, and one in Istanbul, Türkiye. These engagements included a combined IOPS Committee Meeting, the IOPS Annual Meeting, and the OECD/IOPS Global Forum on Private Pensions.

Trans-Tasman Council on Banking Supervision (TTBC)

Purpose

The TTBC provides a platform for cooperation and information sharing between the respective regulators of the banking sectors in Australia and New Zealand. It supports the development of a single economic market in banking services and promotes a joint approach to trans-Tasman banking supervision that delivers a seamless regulatory environment. It considers issues relating to financial stability, efficiency, and integration throughout the financial sector, with a particular focus on the banking system and bank supervision, including crisis preparedness.

APRA involvement

APRA is one of seven members of the TTBC, together with the RBA, ASIC, Australian and New Zealand Treasuries, the Reserve Bank of New Zealand, and the New Zealand Financial Markets Authority.

Key meetings

APRA participated in one Trans-Tasman Council on Banking Supervision Heads-level meeting, held in Wellington, New Zealand.

Addendum B – APRA-ASIC statement of engagement

Public Statement on APRA ASIC Engagement 2025–26

The Australian Prudential Regulation Authority–Australian Securities and Investments Commission annual statement of engagement sets out the practical outcomes delivered through cooperation between the agencies during 2025–26. Over the year, APRA and ASIC worked together to reduce unnecessary regulatory burden, strengthen financial system resilience and coordinate responses to emerging risks. The statement provides transparency on this work and complements existing oversight of our work by the Australian Parliament, the Australian National Audit Office and the Financial Regulator Assessment Authority, and provides insight into how APRA and ASIC coordinate across areas of shared regulatory interest.

APRA and ASIC have distinct but complementary responsibilities under Australia's twin peaks model of financial regulation. APRA is a prudential regulator with a safety and stability focus, while ASIC is a market conduct regulator with a consumer protection and market integrity focus.¹² Coordination where these responsibilities intersect enables the agencies to address cross-cutting risks more effectively, reduce duplication and support a financial system that is safe, fair, competitive and efficient. The last 12 months has seen ongoing global uncertainty and rapid technological change, reinforcing the importance of APRA and ASIC working closely together to deliver coordinated and effective regulatory outcomes.

A key focus for both agencies during 2025–26 was identification of initiatives to reduce regulatory burden across the banking, insurance and superannuation sectors without undermining standards. This included jointly developing changes to streamline reporting and disclosure requirements under the Financial Accountability Regime (FAR) while preserving the regime's accountability objectives. Joint business planning for 2026–27 also identified further opportunities to coordinate regulatory activity and engagement with industry.

The agencies also coordinated their consideration of emerging and cross-sector issues, including the use and regulation of artificial intelligence, superannuation investment platforms, high-risk superannuation switching, public and private markets, and governance practices. This supported a shared understanding of where prudential and conduct risks intersect and where coordinated regulatory responses may be required.

APRA and ASIC's cooperation during 2025–26 delivered practical outcomes through reduced duplication, more coordinated regulatory responses and more efficient engagement with regulated entities. Building on these results, the agencies will continue to work together where regulatory responsibilities intersect, with a focus on addressing emerging risks and supporting a safe, fair, competitive and efficient financial system.

The APRA ASIC Committee (AAC), comprising APRA Members and ASIC Commissioners, provides the primary forum for strategic engagement between the agencies. The AAC discussed the use and regulation of artificial intelligence, superannuation investment platforms and coordinated responses to matters of shared interest, including high-risk superannuation switching. The committee also discussed strategic priorities, including ASIC's work on Public Private Markets (including private credit) and APRA's work to strengthen governance practices across the financial system. The AAC's banking, insurance, superannuation and enforcement sub-committees supported operational coordination, information sharing and implementation of the APRA-ASIC Memorandum of

Understanding. Regular engagement between staff across both agencies translated this coordination into practical outcomes for industry, consumers and the broader financial system, including:

- Reduced regulatory burden and duplication through close collaboration on ASIC general insurance claims handling and APRA general insurance claims management reviews.
- Delivery of the CFR's Geopolitical Risk Program in close partnership between APRA and ASIC, along with the other CFR agencies, including engagement with systemically important financial institutions.
- Providing a forum for regulators and industry through CEO roundtables across superannuation, and life and general insurance. Superannuation focused on governance and risk oversight, high-risk superannuation switching, system risk and operational resilience, frontier AI and cyber risks as well as crisis preparedness; life insurance discussed growing sustainability pressures in total and permanent disability (TPD) insurance; and general insurance discussed the impact of regulation on insurance affordability and availability.
- Jointly published the 2025 Pulse Check – Industry update, outlining trustees' progress on the Retirement Income Covenant implementation since the 2024 Pulse Check.
- Reviewed the treatment of HELP debts in lending assessments, resulting in amendments to ASIC Regulatory Guide 209 *Credit licensing: Responsible lending conduct (RG209)* and clarifications to APRA's prudential and reporting frameworks.
- Close collaboration between ASIC, APRA (and AUSTRAC) in relation to reported syndicated loan fraud.
- Contributed to the Treasury-led cross-agency Regulatory Initiatives Grid (RIG) and used its coordination processes to complement bilateral arrangements of financial services regulatory activity.
- Regular communication on ASIC's RSE Financial Reporting and Audit work, which followed earlier work by APRA on superannuation trustee governance of unlisted asset valuations.
- Regularly discussing enforcement strategy and engaging on enforcement matters relating to dual-regulated entities.

Chapter 3

Management and Accountability

- Governance
 - Our People
 - Management of APRA
- 

Management and Accountability

Governance

APRA is governed by an executive group of APRA Members (Executive Board) who are collectively responsible and accountable for APRA's operation and performance. Biographies for APRA's four Members are included below.

The Executive Board is supported by six Executive Directors and a range of governance committees, including the Audit and Risk Committee, which comprises three independent committee members.



APRA Members

John Lonsdale, Chair

John Lonsdale was appointed Chair of APRA on 31 October 2022 after originally joining as Deputy Chair on 8 October 2018.

In his Deputy Chair role, Mr Lonsdale was responsible for the oversight of Australia's banking sector. His responsibilities also included oversight of APRA's work on culture and remuneration, building APRA's crisis resolution capability and strengthening APRA's collaboration with peer regulators.



Mr Lonsdale worked for Australian Treasury for over 30 years prior to joining APRA. He was a member of Treasury's Executive and, in his role as Deputy Secretary, Markets Group, he had responsibility for financial system, consumer and foreign investment policy. In 2014, he led the Secretariat to the Financial System Inquiry based in Sydney. Mr Lonsdale also worked across key areas in the Treasury including budget policy, tax policy, retirement incomes and the financial system.

Mr Lonsdale is APRA's representative on the Payments System Board, the Council of Financial Regulators, the Trans-Tasman Council on Banking Supervision and the Financial Stability Board's Standing Committee on Supervisory and Regulatory Cooperation.

Margaret Cole, Deputy Chair

Margaret Cole was appointed Deputy Chair of APRA on 31 October 2022, after joining as an Executive Board Member on 1 July 2021. Her term as Deputy Chair concluded on 30 June 2026. She had responsibility for the oversight of the superannuation sector and represented APRA at the International Organisation of Pension Supervisors.

Ms Cole graduated from the University of Cambridge with a degree in law and spent more than 20 years in private legal practice, specialising in commercial litigation with an emphasis on financial services. She was formerly a partner at Stephenson Harwood and White & Case.

In 2005, Ms Cole joined the UK Financial Services Authority (FSA) becoming Managing Director of Enforcement and Financial Crime and interim Managing Director of the Conduct Business Unit and a board member. Prior to joining APRA, she spent a year as PwC's Global Regulatory Leader based in Melbourne. Before that, she was PwC UK's Chief Risk Officer and General Counsel from 2012 to 2020.

Ms Cole has also been an independent non-executive director of Toronto Dominion Bank Europe Limited, Chair of Toronto Dominion Securities Limited and a trustee and executive committee member of the Institute for Fiscal Studies. She is an Honorary Fellow of Murray Edwards College (formerly New Hall), University of Cambridge. Ms Cole has also been awarded an Honorary Doctorate of Law from the University of Law, London.

Ms Cole was appointed a Member of the Order of Australia in the 2026 King's Birthday Honours List for significant service to finance through regulatory reform in the industry.



Therese McCarthy Hockey, Executive Board Member

Therese McCarthy Hockey was an APRA Executive Board Member during the reporting period, with responsibility for the banking sector. She was appointed Deputy Chair on 9 July 2026. She is an APRA representative of the Basel Committee on Banking Supervision and sits on the Council of Financial Regulators and the Trans-Tasman Council on Banking Supervision.

Ms McCarthy Hockey joined APRA in January 2018 as the Executive General Manager: Strategy and Chief Risk Officer. In December 2019, she was promoted to Executive Director of the Banking Division, responsible for the prudential supervision of all authorised deposit-taking institutions operating in Australia and for the functional domains of market risk, credit risk, credit analytics, liquidity risk and capital management. In October 2022, she was appointed as an Executive Board Member.

Ms McCarthy Hockey's experience spans Australia, the United Kingdom and Europe. Prior to joining APRA, she was Deutsche Bank's Treasury Deputy Group Head and Global Chief Operating Officer based in London. Ms McCarthy Hockey has also served on the boards of Deutsche Bank's UK subsidiaries, including the regulated bank.



Ms McCarthy Hockey holds a Bachelor in Mathematics, a Bachelor in Economics and Finance, and a Master of Applied Finance degree from Macquarie University. She is also a graduate of the Australian Institute of Company Directors.

Suzanne Smith, Executive Board Member

Suzanne Smith was appointed Executive Board Member of APRA on 31 October 2022, responsible for the life insurance, general insurance and private health insurance sectors. She represents APRA at the International Association of Insurance Supervisors (IAIS) as Chair of the IAIS Audit and Risk Committee, and as a member of the IAIS Executive Committee.



Ms Smith joined APRA in March 2019, initially as General Manager for Superannuation and then Executive General Manager for the Specialised Institutions Division. In December of that year, she was promoted into the Executive Director role with responsibility for the prudential supervision of superannuation funds licensed under the *Superannuation Industry (Superannuation) Act 1993*.

Prior to joining APRA, Ms Smith's career included senior roles across the superannuation and financial services industry in areas including life insurance, funds management, asset servicing, alternative investments, wholesale banking and property.

Immediately prior to joining APRA, Ms Smith held the role of Chief Customer Officer Group Insurance at MLC Life Insurance. She has also held several senior roles within NAB, including acting as a director and Chair of a NAB subsidiary board from 2011 to 2015.

Ms Smith holds a Bachelor of Business with distinction (Property), a Masters of Applied Finance from Melbourne University, and is a graduate of the Australian Institute of Company Directors.

Audit and Risk Committee

APRA's Audit and Risk Committee (ARC) provides independent assurance and advice to the APRA Chair on APRA's risk management operations, financial and performance reporting responsibilities, systems of internal controls, and compliance with applicable laws and regulations.

The ARC is an advisory committee and not a decision-making body. In fulfilling its obligations, it is briefed on a range of matters including APRA's financial performance and implementation of its strategic objectives. It has the authority to call for reports and updates from across APRA as required to meet its obligations.

The Audit and Risk Committee charter is available on APRA's website.¹³

The ARC comprises three independent non-executive members.

¹³ www.apra.gov.au/system/files/2025-08/Terms%20of%20Reference%20-%20Audit%20and%20Risk%20Committee%20-%20Feb%202025.pdf

The ARC meets formally four times a year. Additional meetings may be held to meet any specific requirements of the ARC or the APRA Chair.

In addition to its members, the Australian National Audit Office (ANAO), an APRA Member and APRA's Chief Risk Officer are regular attendees at ARC meetings.

Further information on the membership and attendance of the ARC follows.

The current ARC members are:

Kate Hughes, BCom (Ec & Fin), Grad Dip Applied Finance, Grad Dip OH&S, GAICD Audit and Risk Committee – Chair

Ms Hughes was appointed Chair of APRA's ARC on 1 March 2023 and, in 2025, was reappointed for a further three-year term as the Committee's Chair. Ms Hughes originally joined the ARC as an independent member on 2 December 2019. Ms Hughes is a risk management, compliance, internal audit and governance professional who chairs the Audit and Risk committee for the Victorian Department of Health and is a non-executive director of Lower Murray Water Corporation, SuniTAFE, SkyCity Entertainment Group and the Australian Maritime Safety Authority and the Chair of ClinicTech.

Ms Hughes' most recent executive role was as Chief Audit and Risk Officer at RMIT University, with responsibility for the University's internal audit, risk management, compliance and regulatory affairs functions. Prior to this, she was the Chief Risk Officer at Telstra with global responsibility for the enterprise-wide risk management, resilience, privacy, compliance, and health and safety functions. Ms Hughes has led international teams for 15 years and has broad risk management, compliance, safety and governance experience in many sectors, including financial services, agribusiness, retail, manufacturing, public administration and telecommunications.

Chris Hall, BComm (Hons), FCA, MAICD Audit and Risk Committee – Independent member

Mr Hall joined APRA's ARC as an independent member on 1 January 2021 for a three-year term, and in 2024, was re-appointed for a further three-year term. He has extensive experience in the financial services industry, risk management, audit and regulation.

Mr Hall is a former partner at KPMG until 2019 where, during his 40-year career spanning Australia and the United Kingdom, he was a board member and member of KPMG's National Executive Committee as National Managing Partner for Risk and Regulation. He has recently retired from the board of the Prostate Cancer Foundation of Australia, having been Finance Director since 2007 and Deputy National Chairman since 2018.

Rick Sawers, Fellow Finsia, GAICD, Harvard PMD Audit and Risk Committee – Independent member

Mr Sawers joined APRA's ARC as an independent member in March 2023, and in 2025, was reappointed for a further three-year term. He has extensive executive and leadership experience in the financial services industry, including markets trading, debt and capital markets, structured finance, institutional banking, strategy, executive management, governance and regulation.

Mr Sawers is a former group executive at NAB and ANZ. Throughout his 46-year career, he completed assignments in Japan, the United Kingdom, Hong Kong and New York. He has also served

on various boards, including as a board member (and Chair) of AFMA and currently as Chair of the Australian Rural Leadership Foundation and Chair of Fund2 Market Holdings Ltd.

Attendance at Audit and Risk Committee meetings from 1 July 2025 to 30 June 2026

Member	Meetings	Attended	Total Annual Remuneration (Incl GST)
Kate Hughes (Chair, independent)	4	4	\$54,120
Chris Hall (independent)	4	4	\$44,000
Rick Sawers (independent)	4	4	\$44,000

Governance committees

Executive Board

The Executive Board comprises all APRA Members and ordinarily meets on a monthly basis, and more frequently as required. It is chaired by the APRA Chair. The Executive Board is responsible for setting APRA's strategic direction and risk appetite and oversees performance and management of risk across the organisation. The Executive Board deals with matters that require formal approval or decisions such as APRA's strategic plans, financial statements and budgets, risk framework and remediation issues, audit plans, and matters that are essential to meeting the organisation's statutory obligations.

Attendance at Executive Board meetings during 2025–26

Member	Meetings	Attended
John Lonsdale	11	11
Margaret Cole	11	10
Therese McCarthy Hockey	11	10
Suzanne Smith	11	11

The following governance committees support the Executive Board in performing its obligations:

Executive Committee

The Executive Committee (ExCo), comprising all APRA Members and the Executive Directors, is chaired by the APRA Chair and ordinarily meets on a monthly basis. The ExCo is the primary forum to provide advice and direction on strategy, risk, delivery of corporate plan and industry plan priorities, and emerging external risks and issues.

Management Committee

The Management Committee (MCo), comprising all APRA Executive Directors, provides oversight of the day-to-day management of APRA, and meets twice monthly. It is chaired by the Chief of Staff and Enterprise Services. The MCo focuses on financial reporting and forecasts, portfolio prioritisation and resourcing, leadership and people related matters, technology and data infrastructure and capabilities, security and risk matters.

Prudential Policy Committee

The Prudential Policy Committee (PPC) is the primary forum for strategic oversight and review of APRA's prudential policy development function, including related strategic initiatives and risks. The PPC meets twice monthly. It is chaired by the APRA Chair and comprises all APRA Members plus relevant executives.

Supervision, Enforcement and Resolution Committee

The Supervision, Enforcement and Resolution Committee (SERC) is the primary forum for the strategic oversight and review of APRA's core supervisory function, including the use of enforcement and resolution powers. The SERC meets twice monthly. It is chaired by the APRA Deputy Chair and comprises all APRA Members plus relevant executives.

Other forums and groups

Reporting to, or providing input to, governance committees listed above are additional specialist forums, including:

Inclusion and Diversity Council

Providing input to the MCo and Executive Board, the Inclusion and Diversity Council (IDC) shapes and oversees APRA's initiatives to build and maintain a diverse and inclusive workplace. The IDC generally meets once a year and is chaired by an APRA Member. The IDC monitors the implementation of APRA's inclusion and diversity strategy.

Strategic Consultative Forum

Providing input to the MCo and Executive Board, the Strategic Consultative Forum (SCF) facilitates communication and consultation with all employees below senior management on APRA's development and training, ways of working and workplace environment. The SCF also plays a key role in its focus on employment terms and conditions, having regard to APRA's Enterprise Agreement and employment policies.

Work Health and Safety Committee

Reporting to the Executive Board, the Work Health and Safety (WHS) Committee focuses on issues concerning the health, safety and wellbeing of employees and ensures that these concerns are integrated into broader management systems and practices.

Integrity Review Group

The Integrity Review Group (IRG) supports and oversees the effective management of integrity related risks and issues across APRA's business activities and functions – including in relation to whistleblower, public interest and fraud disclosures, and other issues relating to conduct and management of conflicts. The IRG escalates matters to the Executive Board or ARC, as appropriate.

Responsible Minister

As at 30 June 2026, the Hon Dr Jim Chalmers MP had portfolio responsibility for APRA as Treasurer of the Commonwealth of Australia.

Parliamentary committees

Avenues through which APRA is accountable to Parliament include through Parliamentary committee inquiries.

During 2025–26, APRA Members, executives, and senior staff appeared at public hearings before the:

- Senate Economics References Committee:
 - Inquiry into Micro-competition Opportunities on 9 September 2025
- Senate Economics Legislation Committee:
 - Estimates hearings on 9 October 2025, 3 December 2025, 11 February 2026 and 5 June 2026
- Parliamentary Joint Committee on Corporations and Financial Services:
 - Inquiry into Small Business Insurance on 6 May 2026
- Select Committee on Intergenerational Housing Inequity:
 - Inquiry into Intergenerational Housing Inequity on 18 May 2026
- Select Committee on Productivity in Australia:
 - Inquiry into Productivity in Australia on 22 April 2026
- Senate Environment and Communications References Committee:
 - Climate Risk Assessment on 16 September 2025

Copies of opening statements delivered as part of APRA's appearances may be downloaded from APRA's website <http://www.apra.gov.au/news-and-publications>. Transcripts of APRA's Parliamentary appearances are available from the relevant Committee page on the Parliamentary website www.aph.gov.au.

During 2025–26, APRA made submissions to the following formal inquiries:

- Operational and appropriateness of the superannuation and pension schemes for current and former members of the Australian Defence Force (ADF) Select Committee on the Operation of the Capital Gains Tax Discount, on 16 January 2026

- House of Representatives Standing Committee on Economics Inquiry into Schemes, Digital Wallets and Innovation in the Payments sector, 23 January 2026
- Senate Committee on Productivity in Australia, on 19 February 2026 and a supplementary submission, on 17 April 2026
- Parliamentary Joint Committee on Corporations and Financial Services inquiry into small business insurance, 6 March 2026.

Copies of APRA's submissions to formal inquiries can be viewed on APRA's website www.apra.gov.au/submissions.

Our People

Management of human resources

APRA's people bring its purpose to life. Their commitment, expertise and capability are central to APRA's role in protecting the financial interests of Australians.

APRA's workforce continues to evolve in response to the changing environment in which it operates. New colleagues, including senior leaders, bring fresh perspectives, contemporary ways of working and greater diversity of thought, strengthening APRA's capability while complementing the organisation's deep institutional knowledge.

Robust learning and development programs help build a strong internal talent pipeline and equip APRA's workforce to adapt and deliver its priorities. During the reporting period, APRA remained focused on sustaining a high-performance culture and a highly skilled workforce with strong regulatory, supervisory and industry expertise.

This expertise is critical to a supervision-led regulator that relies on employee judgement and experience to deliver sound prudential outcomes. APRA continues to foster an inclusive culture where people feel valued and respected, take ownership of outcomes and make decisions aligned with APRA's risk appetite.

Talent and development

APRA's people strategy strengthens APRA's effectiveness as a supervision-led regulator by building the capability, culture and performance disciplines needed to deliver its Corporate Plan priorities in a more complex operating environment. APRA is committed to operating as a future-ready regulator, supported by a capable, engaged and accountable workforce. Performance expectations are aligned with APRA's Corporate Plan objectives and provide a clear basis for assessing individual contribution. Annual remuneration reviews consider capability, performance, alignment with APRA's values and conduct consistent with the Code of Conduct.

People and performance initiatives are building capability across technical, leadership and emerging risk domains, while supporting mobility that broadens experience and brings diverse perspectives to priority work. APRA supports supervisors at all career stages through structured development opportunities that build regulatory judgement, supervisory confidence and practical capability in challenging and immersive learning environments.

In 2025–26, development opportunities included formal learning programs, subject matter expert learning, internal knowledge-sharing sessions, expanded digital offerings and self-paced learning through APRA's licensed LinkedIn Learning and FSI Connect platforms and secondments to domestic and international peer regulators.

APRA encouraged employees to take ownership of their professional development through its study assistance program, with 17 employees undertaking postgraduate study through the program in 2025–26.

APRA also strengthened its internal talent pipeline through the APRA graduate program. In February 2026, 13 graduates commenced a targeted development program with rotations across key divisions, building a strong foundation for careers in financial services and future organisational capability needs. During the reporting period, APRA expanded opportunities to build the early career talent pipeline by successfully introducing a prudential supervision internship program.

Employee wellbeing remained a priority in 2025–26, supported by wellbeing initiatives, inclusive leadership and flexible working arrangements. APRA equipped leaders and employees with learning and resources to support wellbeing, minimise psychosocial risks and reinforce behaviours that strengthen psychosocial safety.

APRA's flexible working environment includes a hybrid working model and flexible work and leave options. Flexible work arrangements may vary depending on individual needs and circumstances, and APRA encourages employees, leaders and teams to collaborate in developing effective working methods that foster productivity, engagement and wellbeing for all.

Learning and development activities

Key training metrics	2023–24	2024–25	2025–26
Training spend per employee	\$3,085	\$2,582	\$2,652
Percentage of employees provided with training	100	100	100
Training sessions per employee	10.95	13.66	19.6
Training days per employee	3.03	3.16	4.02
Number of internal courses offered	220	270	309
Employees undertaking formal post-graduate studies	26	25	17

Inclusion and Diversity

APRA is committed to being an inclusive and diverse workplace where all employees can bring their best selves to work.

During 2025–26, APRA concluded delivery of its 2021–25 Inclusion and Diversity (I&D) Strategy and developed a refreshed strategy for 2026–28, aligned to the Corporate Plan. The new strategy shifts from broad activity-based delivery to a more focused approach, with clearer priorities, stronger accountability and alignment to business areas.

Employee networks remain central to fostering inclusion, with a clearer focus on advocacy, engagement and input into priorities. APRA continues to support its networks across key areas, including LGBTQIA+, Culturally and Linguistically Diverse (CALD), Gender, Intergenerational Age Diversity, AccessAbility and Aboriginal and Torres Strait Islander employees.

APRA progressed implementation of its Innovate Reconciliation Action Plan and continued its focus on external benchmarking and accreditation, including participation in the Australian Workplace Equality Index where APRA is working towards Silver accreditation.

The Workplace Gender Equality Agency published its 2025 Industry Benchmark Report and APRA's average total remuneration gender pay gap for 2024 was 5.6 percent, compared to 7.2 percent for similar public sector organisations. Closing the gap remains an ongoing focus.

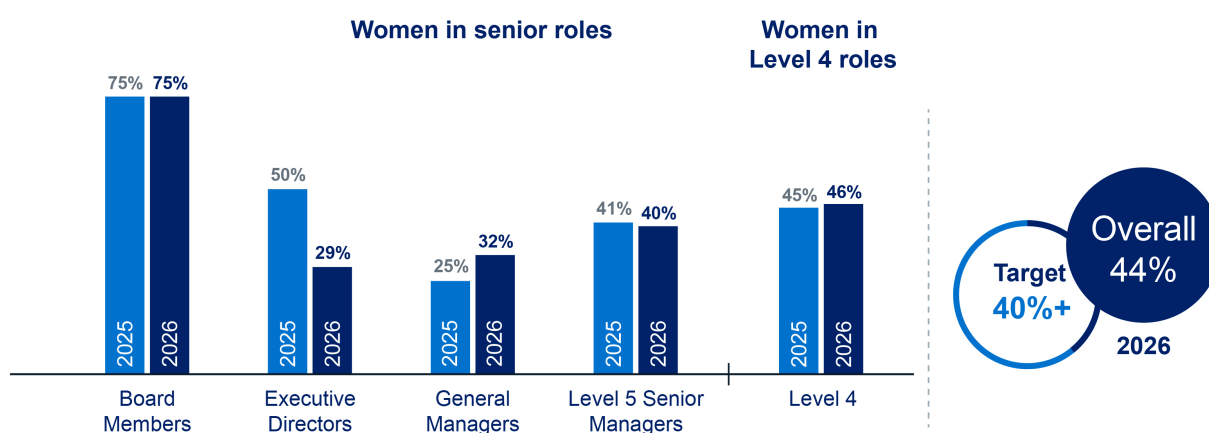
APRA continues to focus on raising awareness by hosting regular events for all employees to access. Some of these included: Healthy Conversations Series (Being Heard, Neurodiversity in the Workplace, Mental Health Awareness, Managing Anxiety, Hidden Disabilities), Yarning Circle, Reconciliation Action Plan Launch, RUOK Day, International Day of People with Disability. APRA continued to partner with other agencies to share best practice. APRA also hosted Allyship Training through the PRIDE network.

Gender diversity in senior management

In 2025–26, women represented 47 per cent of APRA's total workforce and 44 per cent of senior roles.

The percentage of women on the APRA Executive Board roles remained unchanged from the previous year at 75 per cent. Women made up 29 per cent of Executive Director roles and 32 per cent of General Manager roles.

While overall the target of 40 per cent women in leadership roles had been exceeded, APRA is taking actions towards achieving this target at every level of leadership.



Accessibility

APRA is a Silver member of the Australian Disability Network (ADN) and has continued to promote accessibility in the workplace throughout the reporting period. APRA has implemented a range of initiatives to promote better understanding of disability and remove barriers to inclusion including awareness events, a conversation series on specific disabilities and an allyship program.

During the reporting period APRA reviewed its emergency planning arrangements for employees with accessibility issues and updated and promoted its Personal Emergency Evacuation Plan form for employees who may require assistance during an emergency evacuation to promote awareness and simplify utilisation. APRA has also consulted with stakeholders and incorporated design modifications to address modern accessibility requirements in the refurbishment of amenities in the Sydney office currently under construction.

APRA is committed to ensuring information on its website is accessible to everyone, including people with a disability. APRA seeks to meet the Australian Government's web accessibility requirements, including the World Wide Web Consortium (W3C) Web Content Accessibility Guidelines version 2.0 at level AA. The guidelines are available on the W3C website: <https://www.w3.org/TR/WCAG20/>

Further information about APRA's approach to accessibility is available on the APRA website: <https://www.apra.gov.au/accessibility>

Work Health and Safety

Improving and maintaining the health and safety of our people remained a key focus in 2025–26.

APRA continued to implement its Work Health and Safety (WHS) policy to ensure compliance with legislative and regulatory requirements, with an increased emphasis on managing psychosocial hazards and reducing these risks. Proactive application of our duty of care obligations and safeguarding employee mental and physical health in a hybrid working environment, remained an ongoing priority.

In 2025–26:

- APRA launched the *Health Safety & Wellbeing Plan 2025–2027*.
- APRA continued to implement its Respect@APRA program to proactively educate all leaders and employees on their shared accountability to prevent harassment and report and manage psychosocial risk in the workplace.
- APRA expanded its Wellbeing Ambassador program while hosting events across the organisation to promote mental health awareness and pathways for seeking assistance.
- As part of its Regional Engagement Program, Comcare visited APRA onsite to conduct a proactive health and safety inspection of APRA's systems and processes for WHS Risk Management. Comcare's assessment concluded that APRA has the necessary systems processes and arrangements in place to support compliance with its legislative duties and obligations at the workplace.

APRA continued to offer a voluntary health assessment program to identify current and potential health risks.

APRA also offered a range of initiatives to support employee psychosocial health and wellbeing. This included APRA's partnership with Parents at Work through which APRA has achieved re-certification as a Family Inclusive Workplace for 2025–27.

Through APRA's partnership with its employee assistance program (EAP) providers, employees had access to manager, team and individual wellbeing checks.

WHS Committee

The WHS Committee is an integral part of APRA's internal governance system and is the principal forum for oversight of all WHS matters. It is responsible for monitoring the effectiveness of WHS control measures. The Committee was refreshed during the 2025–26 FY with new employee representatives elected to represent APRA workplaces. The committee meets bi-monthly and members were engaged for feedback in Comcare's proactive health and safety inspection.

WHS outcomes

APRA's risk management strategies have successfully mitigated any risks or hazards that may have resulted in notifiable incidents, investigations relating to undertakings, or provisional improvement notices.

Two workers' compensation claims were accepted by Comcare in the 2025–26 financial year.

Collective agreements and common law contracts

All employees are appointed under the APRA Act.

On 30 June 2026, there were 770 employees covered by the terms of the APRA Enterprise Agreement 2025. The APRA Enterprise Agreement 2025 commenced on 18 April 2025 for a three-year term, with a nominal expiry date of 10 April 2028.

APRA's 144 senior employees are covered by common law agreements.

APRA applies a total remuneration package (TRP) approach whereby all salary, superannuation and 'salary-sacrifice' benefits are included in an employee's TRP.

TRP ranges for non-executive employees in the period July 2025 to June 2026

	Level 1	Level 2	Level 3	Level 4
Maximum	\$93,600	\$133,820	\$193,970	\$265,172
Minimum	\$62,400	\$74,342	\$107,813	\$153,153

Indemnities and Insurances

APRA Members and officers are covered by the professional indemnity insurance cover of the Commonwealth-managed insurance scheme, Comcover. The generic terms and conditions of the insurance cover provided by Comcover to Commonwealth agencies are available on the Comcover website: www.finance.gov.au/comcover. Under the conditions of the cover, APRA has an obligation not to disclose the nature and limits of liability and the amount of the premium.

Executive remuneration

APRA's Board members' remuneration is determined by Remuneration Tribunal determinations. The Senior Executives are remunerated through a common law contract and APRA's remuneration policies. All decisions relating to executive remuneration are governed by the APRA Board.

Remuneration adjustments for all other employees are approved through an annual remuneration review process, the outcomes of which are approved by Executive Directors and the APRA Chair. Out-of-cycle remuneration adjustments are approved at Executive Director level and taken into consideration during the annual review process.

Workforce composition

As at 30 June 2026, APRA had 914 employees on a permanent or fixed-term contract basis, compared with 897 at the end of the 2025 financial year.

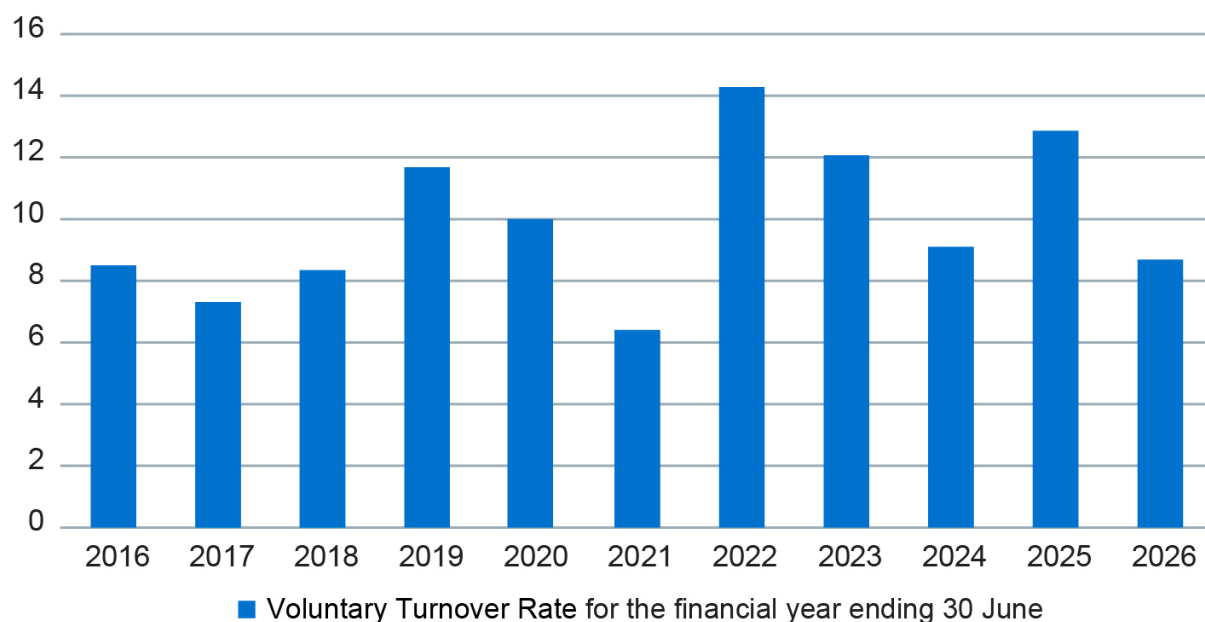
In 2025–26, to maintain our existing workforce level, APRA hired 133 employees on a permanent or fixed-term contract basis, of whom 13 were graduates.

–26

	Female	Male	Non-binary	Prefers not to answer	Uses a different term	Total
Level 1	10	10	0	0	0	20
Level 2	8	2	0	0	0	10
Level 3	12	27	0	3	0	42
Level 4	25	24	0	0	0	49
Level 5	4	7	0	0	0	11
General Manager	1	0	0	0	0	1
Executive Director	0	0	0	0	0	0
APRA Member	0	0	0	0	0	0
Total	60	70	0	3	0	133

For 2025–26, APRA's voluntary turnover was 8.6 per cent compared to 12.7 per cent in 2024–25.

Voluntary turnover rate
%



Employee statistics (by headcount)

Ongoing employees 2025–26 by location

	Male			Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
ACT	4	0	4	0	0	0	0	0	0	0	0	0	0	0	0	4
NSW	287	5	292	230	48	278	0	0	0	3	0	3	0	0	0	573
QLD	26	0	26	19	4	23	0	0	0	0	0	0	0	0	0	49
SA	4	0	4	5	0	5	0	0	0	0	0	0	0	0	0	9
VIC	49	3	52	42	7	49	0	0	0	1	0	1	0	0	0	102
Total	370	8	378	296	59	355	0	0	0	4	0	4	0	0	0	737

Non-ongoing employees 2025–26 by location (Fixed-term, Senior Managers and above)

	Male			Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
ACT	4	0	4	0	0	0	0	0	0	0	0	0	0	0	0	4
NSW	82	2	84	50	9	59	0	0	0	1	0	1	0	0	0	144
QLD	7	0	7	3	0	3	0	0	0	0	0	0	0	0	0	10
SA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
VIC	8	0	8	11	0	11	0	0	0	0	0	0	0	0	0	19
Total	101	2	103	64	9	73	0	0	0	1	0	1	0	0	0	177

Ongoing employees 2024–25 by location

	Male			Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
ACT	4	0	4	0	0	0	0	0	0	0	0	0	0	0	0	4
NSW	282	5	287	229	45	274	0	0	0	2	0	2	0	0	0	563
QLD	22	0	22	20	4	24	0	0	0	0	0	0	0	0	0	46
SA	7	0	7	5	0	5	0	0	0	0	0	0	0	0	0	12
VIC	50	1	51	35	7	42	0	0	0	0	0	0	0	0	0	93
Total	365	6	371	289	56	345	0	0	0	2	0	2	0	0	0	718

Non-ongoing employees 2024–25 by location (Fixed-term, Senior Managers and above)

	Male			Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
ACT	3	0	3	0	0	0	0	0	0	0	0	0	0	0	0	3
NSW	86	2	88	52	7	59	0	0	0	1	0	1	0	0	0	148
QLD	7	1	8	2	0	2	0	0	0	0	0	0	0	0	0	10
SA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
VIC	7	0	7	11	0	11	0	0	0	0	0	0	0	0	0	18
Total	103	3	106	65	7	72	0	0	0	1	0	1	0	0	0	179

Remuneration for key management personnel earned in 2025–26

Name	Position title as at 30 June	Short-term benefits \$			Post-employment benefits \$	Other long-term benefits \$		Termination benefits \$	Total remuneration \$
		Base salary ¹	Bonuses	Other benefits and allowances		Long service leave ²	Other long-term benefits		
John Lonsdale	Chair	839,272	0	0	125,641	23,320	0	0	988,233
Margaret Cole	Deputy Chair	810,840	0	0	30,000	15,951	0	0	856,791
Therese McCarthy Hockey	Member	734,448	0	0	30,000	18,039	0	0	782,486
Suzanne Smith	Member	736,617	0	0	30,000	18,170	0	0	784,786

¹ Differences between the key management personnel figures and those provided by the Remuneration Tribunal are related to leave earned, taken and revalued during the year

² Long service leave balances include leave accrued in the year, write-backs and any revaluations

Remuneration for senior executives earned in 2025–26

Total remuneration bands	Number of senior executives	Short-term benefits \$			Post-employment Benefits \$	Other long-term benefits \$			Termination Benefits \$	Total remuneration \$
		Average base salary	Average bonuses	Average other benefits and allowances		Average long service leave ¹	Average other long-term benefits	Average termination benefits		
\$0 - \$220,000	15	61,226	0	72	8,479	4,008	0	17,405		91,190
\$270,001 - \$295,000	2	256,197	0	0	26,105	7,588	0	0		289,890
\$295,001 - \$320,000	1	278,492	0	0	18,850	10,653	0	0		307,995
\$320,001 - \$345,000	1	289,208	0	0	30,000	20,087	0	0		339,295
\$345,001 - \$370,000	6	322,354	0	4,750	30,000	1,107	0	0		358,212
\$370,001 - \$395,000	1	331,147	0	0	30,000	10,325	0	0		371,472
\$395,001 - \$420,000	5	368,791	0	0	29,563	10,597	0	0		408,951
\$420,001 - \$445,000	7	387,444	0	0	30,000	11,100	0	0		428,544
\$445,001 - \$470,000	2	476,361	0	0	30,000	(48,609)	0	0		457,752
\$470,001 - \$495,000	2	454,114	0	2,163	27,997	(8,912)	0	0		475,361
\$545,001 - \$570,000	1	518,199	0	0	30,000	12,282	0	0		560,481
\$570,001 - \$595,000	1	546,005	0	0	30,000	11,843	0	0		587,847
\$595,001 - \$620,000	2	552,589	0	4,078	30,000	17,185	0	0		603,853

¹ Long service leave balances include leave accrued in the year, write-backs and any revaluations

Remuneration for highly paid staff earned in 2025–26

Total remuneration bands	Number of other highly paid staff	Short-term benefits \$			Post-employment benefits \$	Other long-term benefits \$		Termination benefits \$	Total remuneration \$
		Average base salary	Average bonuses	Average other benefits and allowances ¹		Average long service leave ²	Average other long-term benefits		
\$265,000 - \$270,000	8	221,480	0	0	28,375	907	0	16,735	267,497
\$270,001 - \$295,000	39	239,974	0	2,009	29,751	9,312	0	0	281,046
\$295,001 - \$320,000	26	262,153	0	686	29,834	9,787	0	0	302,461
\$320,001 - \$345,000	4	255,472	0	2,932	29,593	6,129	0	31,875	326,001
\$395,001 - \$420,000	1	227,912	0	0	30,000	(1,678)	0	145,725	401,960

¹ Other benefits and allowances include fringe benefits relating to motor vehicles

² Long service leave balances include leave accrued in the year, write-backs and any revaluations

Management of APRA

Financial resources

APRA's total operating expenditure for the 12 months to 30 June 2026 was \$275.9 million against an original budget of \$268.8 million. Expenditure was higher than the original budget due to increased costs associated with accelerated project delivery including increased contractor utilisation, a change in the accounting treatment of ComCover premiums, and regulatory enforcement activities. This was partially offset by lower employee benefit expenses arising from lower-than-budgeted staffing levels.

APRA's income

APRA's total income in 2025–26 was \$266.2 million, against a budget of \$264.7 million.

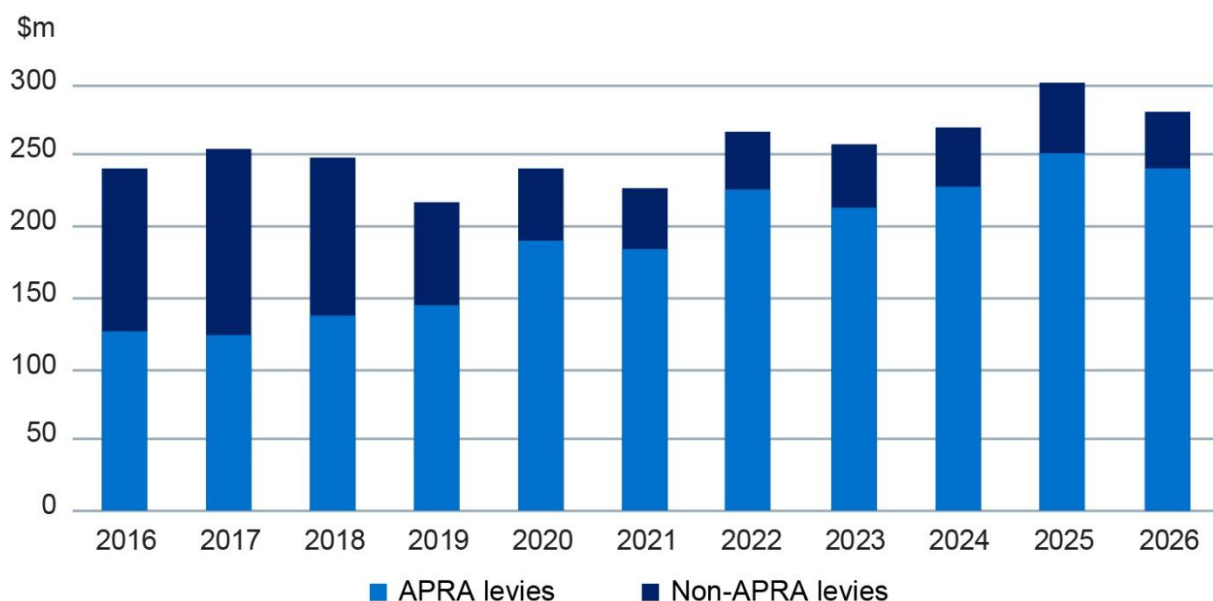
Income was higher than budget primarily due to the revised ComCover premium accounting treatment, partially offset by lower-than-budgeted levy collections from the superannuation industry.

Industry levies are raised according to the *Financial Institutions Supervisory Levies Collection Act 1998*, the Supervisory Levy Imposition Acts¹⁴ relevant to each of APRA's regulated industries, and the *Private Health Insurance Supervisory Levy Imposition Act 2015*. Following consultation with industry, the relevant Minister determines the levy rates for each regulated industry prior to the beginning of each financial year. Industry levies are based on the costs incurred by APRA in discharging its duties with respect to each sector. For industries APRA regulates, other than private health insurance, the levy rate is applied on the relevant institution's total assets, subject to a minimum and maximum amount per institution. Exceptions to this are non-operating holding companies and small APRA-regulated superannuation funds, which are levied at a flat rate. For private health insurers, the levies are based on the number of policies held by each insurer at 30 June each year.

Levies are also collected to cover the costs of the National Claims and Policies Database (NCPD) for which a rate is applied to the gross earned premiums of general insurers that contribute to this database. The amount to be raised for NCPD purposes in 2025–26 was \$1.2 million and was collected in July 2026. The total levies collected by APRA also cover certain costs attributable to the ATO, the Gateway Network Governance Body Ltd and the Treasury. Levies collected by APRA in 2025–26 on behalf of these agencies were \$39.3 million.

¹⁴ Being the *Retirement Savings Account Providers Supervision Levy Imposition Act 1998*; *Superannuation Supervisory Levy Imposition Act 1998* (www.legislation.gov.au/C2004A00316/latest/text); *Authorised Deposit-taking Institution Act 1998*; *Authorised Non-operating Holding Companies Supervisory Levy Imposition Act 1998*; and the *Life Insurance Supervisory Levy Imposition Act 1998*

APRA's financial industry levies



APRA releases a Cost Recovery Implementation Statement on an annual basis to provide further information on the APRA component of the levies collected from industry.

APRA also administers the Risk Equalisation Special Account whereby revenue collected by APRA for the purposes of Risk Equalisation across the private health insurance industry is treated by the government as revenue and expenses. Total Risk Equalisation collections and payments in 2025–26 were \$461.2 million.

Reserves

The components of APRA's reserves were subject to the following changes during the year:

- APRA's retained surpluses decreased by \$7.2 million to \$75.5 million, attributable to an operating loss from ordinary activities of \$9.7 million and a net transfer of \$2.5 million from the Contingency Enforcement Fund (CEF) to cover enforcement matters.
- The CEF was \$4.4 million below budget, reflecting a lower opening balance resulting from prior year expenditure and drawdowns associated with legal matters during the reporting period.

Advertising and market research

Under the *Commonwealth Electoral Act 1918*, APRA is required to report annually on amounts paid to advertising agencies, market research and media advertising organisations relating to electoral expenditure.

In 2025–26, APRA has not incurred advertising or market research expenditure in relation to an election.

Separately, during 2025–26 APRA incurred the following recruitment advertising expenditure.

Advertising expenditure

Supplier	Amount (Incl. GST)
Mediabrand Australia Pty Ltd T/As Universal McCann	\$321,388.69
Total	\$321,388.69

Outside of the above, APRA did not conduct specific advertising campaigns during 2025–26.

Commonwealth procurement rules

The APRA Chair's Finance Instructions and Finance Policies (CFIs) and associated operational procedures ensure that APRA complies with the Commonwealth Procurement Rules (CPRs). In particular, the policies ensure that the core procurement principle of value for money is achieved. APRA's procurement processes uphold integrity, diligence and consistency in our conduct, which ensures honesty and fairness. This is done by encouraging competition; the efficient, effective, ethical and economical use of resources; accountability and transparency; and appropriate engagement with risk through a process that is commensurate with the scale and scope of the business requirement.

APRA conducts its procurement processes in accordance with the CPRs, including but not limited to:

- engaging Indigenous suppliers for procurements between \$80,000 and \$200,000 as required under the Indigenous Procurement Policy
- conducting open tenders for procurement activities of more than \$200,000 (unless otherwise exempted under the CPRs)
- reporting all procurements over \$10,000 on AusTender
- providing a link on APRA's website to the AusTender report on all purchases over \$100,000.

In 2025–26, APRA had no AusTender-exempt contracts. As required under the CPRs, all APRA competitively tendered contracts over \$100,000 or more were reported on AusTender, in accordance with the Senate Order.

Procurement initiatives to support small businesses

APRA supports small business participation in the Commonwealth Government procurement market and recognises the importance of ensuring that small businesses are paid on time. Small and medium enterprises (SME) and small enterprise participation statistics are available on the Department of Finance's website: www.finance.gov.au/government/procurement/statistics-australian-government-procurement-contracts-

APRA's procurement practices support small businesses by:

- using the Commonwealth Contracting Suite for low-risk procurements valued under \$200,000 where applicable
- encouraging the use of the SME exemption under the Commonwealth Procurement Rules
- using prequalified panels with SME providers
- payments via electronic systems.

Consultancies

This annual report contains information about actual expenditure on contracts. Information on the committed value of contracts is available through AusTender at <https://www.tenders.gov.au>.

APRA's CFIs and associated operational procedures include specific provisions on the use of consultants.

APRA engages consultants where it requires specialist expertise or when independent research, review or assessment is required. Consultants are typically engaged to investigate or diagnose a defined issue or problem, carry out defined reviews or evaluations, or provide independent advice, information or solutions to assist in APRA's decision-making. Before engaging consultants, APRA considers the skills and resources required for the task, the skills available in-house, and the cost-effectiveness of engaging external expertise. The decision to engage a consultant is made in accordance with legislation, CPRs and internal policies to ensure fairness and transparency in the decision-making process and that value for money is achieved.

During 2025–26, APRA entered sixteen new consultancy contracts.

Expenditure on Reportable Consultancy Contracts

	Number	Expenditure \$ (GST incl.)
New contracts entered during the reporting period	16	1,996,688.74
Ongoing contracts entered during a previous reporting period	6	557,593.26
Total	22	2,554,282.00

Organisations Receiving Largest Shares of Reportable Consultancy Contract Expenditure*

	Expenditure \$ (GST incl.)
Accenture Australia Pty Ltd	1,280,660.06
Nous Group Pty Ltd	401,665.00
KPMG	313,622.54
Deloitte Touche Tohmatsu	150,326.00
Bendelta Pty Ltd	148,764.00

*All contracts end on or before 30 June 2027

Expenditure on Reportable Non-Consultancy Contracts*

	Number	Expenditure \$ (GST incl.)
New contracts entered during the reporting period	254	22,673,226.60
Ongoing contracts entered during a previous reporting period	256	50,562,527.67
Total	510	73,235,756.26

*This includes multi-year contracts such as property leases and IT services and systems

Organisations Receiving Largest Shares of Reportable Non-Consultancy Contract Expenditure*

	Expenditure \$ (GST incl.)
Trustee For No. 1 Martin Place Office Tower Trust	10,583,053.75
DXC Technology Australia Pty Limited	7,998,554.37
Hays Specialist Recruitment (Australia) Pty Limited	4,254,973.68
Regnology Ireland Limited (formerly Vizor Limited)	3,330,652.93
Data#3 Limited	2,567,970.08

*Contract details are available on AusTender

Preventing, detecting and dealing with fraud and corruption

APRA is committed to ensuring compliance with *Public Governance, Performance and Accountability Rule 2014* Section 10 - Preventing, detecting and dealing with fraud and corruption.

During the reporting period, APRA has ensured compliance through:

- reviewing fraud and corruption risks regularly throughout the reporting period
- ensuring staff complete mandatory Commonwealth Fraud Awareness training
- ensuring that APRA has officials who are responsible for managing risks of fraud and corruption
- ensuring that APRA has appropriate mechanisms for detecting, investigating and reporting fraud or corruption or suspected fraud or corruption.

Policy consultations

APRA consults extensively with regulated entities, industry bodies and interested parties prior to finalising prudential standards, prudential guidance and reporting standards.

During 2025–26, APRA undertook 17 policy consultations supporting initiatives ranging from significant Corporate Plan priorities to minor updates and exemptions.

APRA complied with all Office of Impact Analysis requirements in 2025–26.

Legal services

The *Legal Services Directions 2025* require Commonwealth agencies to make publicly available information on records of their legal services expenditure for the previous financial year. During 2025–26, APRA's total expenditure on external legal advice and litigation services was \$4,103,858 (excluding GST). During 2025–26, APRA's total expenditure on internal legal advice and litigation services was \$11,543,243 (excluding GST). This included \$23,901 (excluding GST) in external expenditure that is recoverable.

The recorded internal legal expenditure for this financial year has increased materially on previous financial years due to a revised calculation methodology which now includes indirect and direct overhead costs. Using this revised methodology would have resulted in internal legal expenditure of \$11,309,734 for FY2023–24 and of \$10,704,623 for FY2024–25 (excluding GST).

Courts and tribunals

During 2025–26, there were no judicial decisions, administrative tribunal decisions, or decisions by the Office of the Australian Information Commissioner that have had, or may have, a significant impact on APRA's operations.

During 2025–26:

- There were three decisions of the Administrative Review Tribunal disqualifying three individuals from being or acting as accountable persons of any authorised deposit-taking institution under the Financial Accountability Regime for failing to comply with their accountability obligations.¹⁵
- APRA's proceedings against Michael Joseph O'Connor, director and co-chair of First Super Pty Ltd, which alleged breaches of the *Superannuation Industry (Supervision) Act 1993* director covenants are being heard by the Federal Court.

APRA also played a prominent role in overseeing applications before the Federal Court for confirmation of schemes for transfers of insurance business in 2025–26. APRA made submissions to the Court in:

- two schemes to transfer general insurance business under Division 3A of Part III of the *Insurance Act 1973*
- a scheme to transfer life insurance business under Part 9 of the *Life Insurance Act 1995*.

¹⁵ Decisions were made under section 103(2) of the *Administrative Tribunal Act 2024*. See also APRA media releases issued on 9 October 2025 at www.apra.gov.au/news-and-publications/apra-disqualifies-two-directors-xinja-bank-under-financial-accountability and 19 May 2026 at www.apra.gov.au/news-and-publications/apra-disqualifies-former-chair-xinja-bank-under-financial-accountability

Chapter 4

Other statutory reporting requirements



Other statutory reporting requirements

APRA reports in accordance with the following Commonwealth legislation and other requirements:

- *Australian Prudential Regulation Authority Act 1998*
- *Commonwealth Electoral Act 1918*
- *Environment Protection and Biodiversity Conservation Act 1999*
- *Equal Employment Opportunity (Commonwealth Authorities) Act 1987*
- *Freedom of Information Act 1982*
- *Public Governance, Performance and Accountability Act 2013*
- *Work Health and Safety Act 2011*
- Commonwealth Fraud and Corruption Control Framework
- Requirements for Annual Reports for Departments, Executive Agencies and other Non-corporate Commonwealth Entities.

Australian Prudential Regulation Authority Act 1998

Section 59 of the APRA Act requires APRA to report on:

- activities of persons conducting investigations under Division 2 of Part II and section 61 of the *Banking Act 1959*
- activities of persons conducting investigations under section 61 of the *Banking Act 1959*
- the operation of Division 2AA (Financial Claims Scheme (FCS) for account-holders with insolvent ADIs) of Part II of the *Banking Act 1959*
- activities of Banking Act statutory managers (within the meaning of the *Banking Act 1959*)
- activities of Insurance Act statutory managers (within the meaning of the *Insurance Act 1973*)
- activities of Life Insurance Act statutory managers (within the meaning of the *Life Insurance Act 1995*)
- the operation of Part VC (FCS for policyholders with insolvent general insurers) of the *Insurance Act 1973*
- the exercise during the period of APRA's powers under Part 15 of the *Retirement Savings Accounts Act 1997* (RSA Act) and Part 29 of the *Superannuation Industry (Supervision) Act 1993* (SIS Act)
- the number of times during the period that APRA determined, under subsection 13(1) of the *Financial Sector (Collection of Data) Act 2001* (FSCOD Act), a reporting standard that is not a legislative instrument
- information about investigations (including joint investigations) conducted by APRA under Division 1 of Part 4 of Chapter 3 of the *Financial Accountability Regime Act 2023* (FAR Act) during the period
- information on other matters required by the regulations.

During 2025–26, APRA did not appoint investigators under section 61 of the *Banking Act 1959*. There were two investigator appointments under the *Banking Act 1959* continuing from the 2020–21 and 2023–24 years.

There were no investigations conducted by APRA under Division 1 of Part 4 of Chapter 3 of the FAR Act.

APRA did not appoint statutory managers under the *Banking Act 1959*, *Insurance Act 1973* or *Life Insurance Act 1995* during 2025–26. There were no appointments continuing from the previous year.

There were no schemes in operation under Division 2AA of Part II of the *Banking Act 1959*.

There were no schemes in operation under Part VC (FCS for policyholders with insolvent general insurers) of the *Insurance Act 1973*.

APRA did not determine reporting standards under subsection 13(1) of the FSCOD Act during 2025–26 that were not legislative instruments.

APRA did not exercise its powers under Part 15 of the RSA Act in 2025–26.

APRA exercised its powers under Part 29 of the SIS Act during 2025–26 in relation to particular entities or persons as set out below:

Exemptions exercised under the SIS Act

Instrument Number	Date	Provision of SIS Act / regulations exempted
A2 of 2025	19/08/2025	4.07E
A1 of 2026	12/03/2026	7.08
A2 of 2026	04/06/2026	9.04D(1) and 9.04I(1)

APRA exercised its powers under Part 29 of the SIS Act during 2025–26 in relation to a particular class of persons as set out below:

Instrument Number	Date	Provision of SIS Act / regulations exempted
No 1 of 2026	22/06/2026	29HA and 29JCB

Modifications exercised under the SIS Act

Instrument Number	Date	Provision of SIS Act / regulations modified
A11 of 2025	01/09/2025	1.06, 1.07D and Schedule 7 of the SIS Regulations
A12 of 2025	17/12/2025	1.06(8)(b) and Schedule 6 of the SIS Regulations
A13 of 2025	30/07/2025	1.06(9A)(a) and 1.07D
A14 of 2025	30/07/2025	1.06(9A)(a) and 1.07D
A15 of 2025	26/09/2025	6.17A
A16 of 2025	18/09/2025	Revocation of A2 of 2023

Instrument Number	Date	Provision of SIS Act / regulations modified
A1 of 2026	17/03/2026	6.17(2)
A2 of 2026	25/02/2026	93(3)
A3 of 2026	27/03/2026	1.06
A4 of 2026	27/03/2026	1.06
A5 of 2026	28/04/2026	1.03(1)
A6 of 2026	04/06/2026	1.03(1)
A7 of 2026	19/05/2026	89(3)
A8 of 2026	23/06/2026	Reg 1.06 of the SIS Regs and any other pension provisions (will include reg 1.06(9A)(a), 1.06(9A)(b), 1.06(4), 1.06(8), 1.07A, 1.07B, 1.07C and 1.07D of the SIS Regulations)
A9 of 2026	23/06/2026	Reg 1.06 of the SIS Regs and any other pension provisions (will include reg 1.06(9A)(a), 1.06(9A)(b), 1.06(4), 1.06(8), 1.07A, 1.07B, 1.07C and 1.07D of the SIS Regulations)
A10 of 2026	26/06/2026	89(3)(c)
A11 of 2026	23/06/2026	1.03

Freedom of Information Act (1982)

Agencies subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information to the public as part of the Information Publication Scheme (IPS). This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report. APRA displays material on its website showing what information it publishes in accordance with the IPS requirements.¹⁶

Environment Protection and Biodiversity Conservation Act 1999

APRA is committed to operating in an environmentally sustainable manner. APRA actively takes steps to reduce its environmental impact and adopts environmentally friendly options where practical. Measures include sensor-controlled lighting, minimisation of printing, recycling of paper, cardboard, office furniture and printer cartridges, waste reduction, the use of mobile devices and 'follow-me' printing, and fostering employee awareness of environmental issues including considering the need to print documents.

¹⁶ Further information is available at: <https://www.apra.gov.au/information-publication-scheme>

Australian Public Service (APS) Net Zero 2030 emissions reporting

To meet the government's expectations to report transparently on emissions under the APS Net Zero 2030 policy, APRA publishes emissions from its operations.

Greenhouse gas emissions reporting has been developed with methodology that is consistent with the whole-of-Australian Government approach as part of the APS Net Zero 2030 policy.

During the reporting period, APRA completed its first climate risk and opportunity assessment following the Climate Risk and Opportunity Assessment Program (CROMP).

2025–26 Greenhouse Gas Emissions Inventory – Location Based Method

Emission Source	Scope 1 t CO ₂ -e	Scope 2 t CO ₂ -e	Scope 3 t CO ₂ -e	Total t CO ₂ -e
Electricity (Location Based Approach)	N/A	558.40	33.43	591.83
Natural Gas	-	N/A	-	-
Solid Waste	N/A	N/A	14.50	14.50
Refrigerants	-	N/A	N/A	-
Fleet and Other Vehicles	-	N/A	-	-
Domestic Commercial Flights	N/A	N/A	219.76	219.76
Domestic Hire Car	N/A	N/A	0.09	0.09
Domestic Travel Accommodation	N/A	N/A	59.25	59.25
Other Energy	-	N/A	-	-
Total t CO₂-e	-	558.40	327.03	885.43

Note: The table above presents emissions related to electricity usage using the location-based accounting method

CO₂-e = Carbon Dioxide Equivalent

N/A = not applicable

2025–26 Electricity Greenhouse Gas Emissions

Emission Source	Scope 2 t CO ₂ -e	Scope 3 t CO ₂ -e	Total t CO ₂ -e	Electricity kWh
Electricity (Location Based Approach)	558.40	33.43	591.82	862,956.98
Market-based electricity emissions	515.05	69.95	584.99	635,853.19
Total renewable electricity consumed	N/A	N/A	N/A	227,103.80
Renewable Power Percentage ¹	N/A	N/A	N/A	149,205.27
Jurisdictional Renewable Power Percentage ^{2, 3}	N/A	N/A	N/A	77,898.54
GreenPower ²	N/A	N/A	N/A	-
Large-scale generation certificates ²	N/A	N/A	N/A	-
Behind the meter solar ⁴	N/A	N/A	N/A	-
Total renewable electricity produced	N/A	N/A	N/A	-
Large-scale generation certificates ²	N/A	N/A	N/A	-
Behind the meter solar ⁴	N/A	N/A	N/A	-

Note: The table above presents emissions related to electricity usage using both the location-based and the market-based accounting methods. CO₂-e = Carbon Dioxide Equivalent. Electricity usage is measured in kilowatt hours (kWh).

¹ The renewable power percentage (RPP) accounts for the portion of electricity used, from the grid, that falls within the Renewable Energy Target (RET)

² Listed as Voluntary renewables in Annual Reports

³ The Australian Capital Territory is currently the only state with a jurisdictional renewable power percentage (JRPP)

⁴ Reporting behind the meter solar consumption and/or production is optional. The quality of data is expected to improve over time as emissions reporting matures

Equal Employment Opportunity (Commonwealth Authorities) Act 1987

APRA remains committed to creating an environment that fosters inclusivity and respect for all its people. Diverse and inclusive teams are critical for APRA's success. Leveraging diversity of thought, breadth of knowledge and robust discussions results in strong decision making and judgement, which are the foundation of supervisory authorities. APRA's Inclusion and Diversity initiatives are further discussed in Chapter 3: Our People.

Commonwealth Fraud and Corruption Control Guidelines

The Chair of APRA certifies he is satisfied that:

- a fraud and corruption risk assessment and fraud and corruption control plan has been prepared and complies with the Commonwealth Fraud and Corruption Control Framework
- appropriate fraud and corruption prevention, detection, investigation, recording and reporting procedures are in place to meet the specific needs of APRA
- all reasonable measures have been taken to deal appropriately with fraud and corruption relating to APRA.

Auditor-General activities

The Australian National Audit Office (ANAO) undertook the required statutory financial audit of APRA for 2025–26. An unmodified auditor's report was issued by the ANAO confirming APRA's annual financial statements comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* and present fairly the financial position of APRA as at 30 June 2026 and its financial performance and cash flows for the year then ended.

Capability reviews

No external capability reviews on APRA were released in 2025–26.

Commonwealth Ombudsman

The Commonwealth Ombudsman did not undertake any investigation into APRA's conduct in 2025–26.

Grant programs

Information on grants awarded by APRA during 2025–26 is available on its website at www.apra.gov.au/grants-and-scholarships.

Privacy Act 1988

No privacy complaints against APRA were made to the Office of the Australian Information Commissioner under section 36 of the *Privacy Act 1988* (Privacy Act).

The Privacy Commissioner made no determinations under section 52 of the Privacy Act, nor did APRA seek any under section 73 of the Privacy Act.

There were no adverse or favourable comments made by the Privacy Commissioner in respect of APRA's operations.

Privacy enquiries relating to APRA sent by post should be addressed to:

Privacy Officer
Australian Prudential Regulation Authority
GPO Box 9836
Sydney NSW 2001

Or by phone: 02 9210 3000 or email: privacy@apra.gov.au

Significant non-compliance with relevant financial laws

During 2025–26, there were no incidents of material non-compliance with relevant financial laws.

Commonwealth Climate Disclosure

Commonwealth Climate Disclosure (CCD) requires Commonwealth entities to report climate-related risks and opportunities and how they are managed. This disclosure has been prepared in accordance with the Year 2 Commonwealth Climate Disclosure Requirements¹⁷ and the progressive implementation schedule, including the requirement to disclose both organisational and policy-related climate-related risks and opportunities. Per the CCD Year 2 Requirements, APRA has utilised all reasonable and supportable information available without undue cost or effort to assess our climate-related risks and opportunities.

Governance

APRA's risk management framework aligns with section 16 of the Public Governance, Performance and Accountability Act 2013 (PGPA Act) and the Commonwealth Risk Management Policy. The Executive Board, Management Committee, and Audit and Risk Committee oversee APRA's risk profile, including climate-related risks and opportunities, as outlined in Chapter 3: Management and Accountability. During the reporting period, this oversight was supported through climate risk assessment, governance, risk management, emissions reporting and disclosure activities. APRA assesses climate-related skills and capability needs and addresses identified gaps through training, recruitment or specialist expertise.

Roles and responsibilities

Role	Responsibility
APRA Chair	Ensures systems of internal control and risk oversight are established and maintained, including for climate-related risks and opportunities.
Executive Board	Oversees APRA's risk profile and risk appetite, including climate risks and opportunities.
Executive Director, Chief of Staff and Enterprise Services (ED, ChES)	Manages climate-related risks and opportunities linked to APRA's operations.
Chief Financial Officer (CFO)	Oversees climate-related risks and opportunities associated with facilities, procurement and operational emissions, including maintaining APRA's Emissions Reduction Plan (ERP) and coordinating emissions and progress reporting.
Chief Risk Officer (CRO)	Oversees risk governance, including climate-related risks and provides independent oversight and reporting to committees.

Strategy

During the reporting period, APRA completed its first climate risk and opportunity assessment following the Climate Risk and Opportunity Assessment Program (CROMP).¹⁸ The assessment identified that climate-related risks are most likely to affect APRA through business disruption from severe weather events, increasing demands on APRA's capabilities, evolving stakeholder expectations, and reliance on third-party providers and infrastructure.

¹⁷ <https://www.finance.gov.au/sites/default/files/2025-10/Year-2-Commonwealth-Climate-Disclosure-Requirements.pdf>

¹⁸ <https://www.dcccew.gov.au/climate-change/publications/climate-risk-opportunity-management-program-resources>

As an office-based entity, APRA focuses its sustainability strategy on office space management, travel and sustainable procurement. APRA's CROMP assessment considered climate projections to 2050, reflecting the long-term nature of APRA's property arrangements and operational footprint.

APRA is responding to climate-related risks and opportunities through the implementation of CROMP and finalising the incorporation of identified climate-related risks and opportunities into its enterprise risk management framework, making enhancements to operational resilience arrangements and implementation of its ERP. APRA has identified the following key climate-related risks and opportunities for its operations.

Risks	Risk Type
Disruption to APRA's operations from severe weather events. Severe weather events can disrupt APRA's operations by affecting power, buildings, technology systems and staff availability. This may interrupt APRA's day-to-day work at the same time as risks in the financial system are increasing.	Physical
The transition to a lower emissions economy could increase pressure on APRA's operations. Changes in climate policy, markets, and technology may increase the scale and complexity of APRA's work, putting pressure on its operations and specialist capability. This may make it harder to respond quickly to emerging risks.	Transition
Opportunities	
APRA's Emissions Reduction Plan supports achievement of the APS Net Zero 2030 target through renewable electricity procurement, sustainable procurement practices, travel management initiatives and the efficient use of office space.	

Climate risk management

APRA monitors climate-related risks and opportunities through its risk reporting, business continuity and operational resilience arrangements. Assessments consider the nature of the risk or opportunity, likelihood of occurrence, magnitude of consequences, control effectiveness and residual risk exposure. Risks are prioritised according to their residual risk rating and assigned to accountable risk owners.

Compared with the previous reporting period, APRA strengthened its approach by completing its inaugural climate risk and opportunity assessment. The outcomes will be used to enhance climate-related reporting, governance and integration into its risk management framework.

Metrics and Targets

Under APS Net Zero 2030, the Net Zero in Government Operations Strategy and section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*, APRA is required to report on its operational greenhouse gas (GHG) emissions. APRA has not elected to report against the optional M2 cross-industry metrics criteria.

During the reporting period, APRA continued to implement the initiatives outlined in its ERP with progress against key priority areas summarised below.

Priority area	2025–26 progress	Status
Renewable electricity	APRA continued to participate in whole-of-Australian-Government electricity arrangements and assess the availability of renewable electricity.	Ongoing
Office accommodation and energy efficiency	APRA continued to consider efficient space utilisation, flexible working arrangements and energy performance as part of workplace and accommodation planning.	Ongoing
Sustainable procurement	APRA incorporated sustainability considerations into procurement activities where required under the Environmentally Sustainable Procurement Policy.	Implemented and ongoing
Travel	APRA continued to monitor and report emissions from business travel.	Ongoing

Emissions Reporting

APRA's 2025–26 emissions are set out earlier in this Chapter and calculated under the Australian Public Service Net Zero Emissions Reporting Framework.¹⁹

APRA is committed to leading climate action within the public sector and contributing to the APS Net Zero 2030 target.²⁰ See the APS Net Zero Target Factsheet²¹ for details including scope, emissions sources and timeframes. APRA has not deviated from the approach in this factsheet.

APRA's principal operational emissions metric is its annual greenhouse gas emissions inventory prepared under the Australian Public Service Net Zero Emissions Reporting Framework. For 2025–26, APRA reported total operational emissions of 885.43 t CO₂-e, comprising 558.40 t CO₂-e of Scope 2 emissions and 327.03 t CO₂-e of Scope 3 emissions. APRA reported no Scope 1 emissions for the period.

APRA's applicable target is the APS Net Zero 2030 target, which applies to Scope 1 and Scope 2 emissions from government operations at the aggregate Commonwealth level. APRA's entity-level contribution is to minimise emissions within its control and implement the actions set out in its Emissions Reduction Plan. Performance is monitored through annual emissions reporting and progress against the Plan's priority actions rather than against an APRA-specific annual target.

APRA's location-based Scope 2 electricity emissions decreased from 618.12 t CO₂-e in 2024–25 to 558.40 t CO₂-e in 2025–26, a reduction of approximately 9.7 per cent. Electricity consumption also decreased from 926,535.91 kWh to 862,956.98 kWh, a reduction of approximately 6.9 per cent.

APRA's approach to reducing emissions is detailed in our publicly available Emissions Reduction Plan, which reports on our entity's progress annually. This plan was approved by the Board, which will also monitor its ongoing performance through regular board meetings.

¹⁹ <https://www.finance.gov.au/government/climate-action-government-operations/commonwealth-emission-reporting/emissions-reporting-framework>

²⁰ <https://www.finance.gov.au/government/climate-action-government-operations/aps-net-zero-emissions-2030>

²¹ <https://www.finance.gov.au/sites/default/files/2025-10/APS-Net-Zero-2030-Target-Factsheet.pdf>

Agency resources and expenses by outcome

Under the Requirements for annual reports for departments, executive agencies and other non-corporate Commonwealth entities, issued by the Department of Prime Minister and Cabinet, APRA must provide information outlining its various funding sources during the financial year and total expenses for each agency outcome. To this end, APRA's Agency Resource Statement and Expenses by Outcome Statement for 2025–26 are set out below.

Agency resources statement

	Actual available appropriation	Payments made	Balance remaining
	\$'000	\$'000	\$'000
	(a)	(b)	(a)-(b)
Ordinary annual services			
Departmental appropriation	27,352	27,352	-
Total	27,352	27,352	-
Total available annual appropriations and payments	A 27,352	27,352	-
Special accounts			
Opening balance	118,670		
Appropriation receipts	14,994		
Statutory credits receipts	241,558		
Other receipts	12,196		
S74 receipts	12,358		
Payments made		277,347	
Total special account	B 399,776	277,347	122,429
Total resources and payments			
A+B	427,128	304,699	122,429
Less appropriation drawn from annual or special appropriations above and credited to special accounts	(27,352)	(27,352)	-
Total net resourcing and payments for APRA	399,776	277,347	122,429

Expenses by outcome statement

Outcome 1: Enhanced public confidence in Australia's financial institutions through a framework of prudential regulation which balances financial safety and efficiency, competition, contestability and competitive neutrality and, in balancing these objectives, promotes financial system stability in Australia.

	Budget	Actual expenses	Variation
	\$'000	\$'000	\$'000
	(a)	(b)	(a)-(b)

Program 1.1: Australian Prudential Regulation Authority

Departmental expenses

Departmental appropriation ¹	21,697	27,352	(5,655)
Special accounts	247,096	248,589	(1,493)
Total expenses for outcome¹	268,793	275,941	(7,148)

	Actual 2025–26	Actual 2024–25	Variation
Average staffing level (number)	879	825	54

¹ Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources'

Chapter 5: Financial Statements

Contents *

Independent Auditor's Report	Page 81
Certification	Page 83
Primary financial statements	Page 84
Statement of Comprehensive Income	Page 84
Statement of Financial Position	Page 85
Statement of Changes in Equity	Page 87
Cash Flow Statement	Page 89
Administered Schedule of Comprehensive Income	Page 91
Administered Schedule of Assets and Liabilities	Page 92
Administered Reconciliation Schedule	Page 93
Administered Cash Flow Statement	Page 93
Overview	Page 94
1. Departmental Financial Performance	Page 95
1.1 Expenses	Page 95
1.2 Own-Source Revenue and gains	Page 96
2. Income and Expenses Administered on Behalf of Government	Page 97
2.1 Administered – Expenses	Page 97
2.2 Administered – Income	Page 98
3. Departmental Financial Position	Page 99
3.1 Financial Assets	Page 99
3.2 Non-Financial Assets	Page 100
3.3 Payables	Page 103
3.4 Interest Bearing Liabilities	Page 104
3.5 Other Provisions	Page 105
4. Assets and Liabilities Administered on Behalf of Government	Page 106
4.1 Administered – Financial Assets	Page 106
4.2 Administered – Assets Held in Trust	Page 107
4.3 Administered – Payables	Page 107
5. Funding	Page 108
5.1 Appropriations	Page 108
5.2 Special Accounts	Page 110
5.3 Regulatory Charging Summary	Page 112
6. People and relationships	Page 113
6.1 Employee Provisions	Page 113
6.2 Key Management Personnel Remuneration	Page 114
6.3 Related Party Disclosures	Page 115
7. Managing uncertainties	Page 116
7.1 Contingent Assets and Liabilities	Page 116
7.2 Administered – Contingent Assets and Liabilities	Page 117
7.3 Financial Instruments	Page 118
7.4 Administered – Financial Instruments	Page 119

8.1 Current/non-current distinction for assets and liabilities	Page 120
8.1A Current / non-current distinction for assets and liabilities	Page 120
8.1B Administered – current/non-current distinction for assets and liabilities	Page 121

*Administered items are distinguished from departmental items throughout these financial statements by background shading.



INDEPENDENT AUDITOR'S REPORT

To the Treasurer

Opinion

In my opinion, the financial statements of the Australian Prudential Regulation Authority (the Entity) for the year ended 30 June 2026:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2026 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2026 and for the year then ended:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and their delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Chair is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Chair is also responsible for such internal control as the Chair determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chair is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Chair is also responsible for disclosing, as applicable, matters related to

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going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Ann MacNeill

Executive Director

Delegate of the Auditor-General

Canberra

11 August 2026

Statement by the Accountable Authority and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2026 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Australian Prudential Regulation Authority will be able to pay its debts as and when they fall due.



Mr John Lonsdale
Chair

11 August 2026



Mr Eugene Jalba
Chief Financial Officer

11 August 2026

Statement of comprehensive income for the year ended 30 June 2026

	Notes	2026 \$'000	2025 \$'000	Original Budget \$'000
Expenses				
Employee benefits	1.1A	185,535	169,504	194,816
Suppliers	1.1B	71,051	42,987	51,386
Depreciation and amortisation		17,261	20,117	20,594
Finance costs	1.1C	1,942	1,327	1,997
Assets written off	3.2	64	2,055	-
Scholarships		88	88	-
Total expenses		275,941	236,078	268,793
Own-source revenue				
Revenue from contracts with customers	1.2A	5,479	5,715	5,857
Other revenue	1.2B	3,179	9,190	500
Total own-source revenue		8,658	14,905	6,357
Gains				
Reversal of write-downs and impairments	1.2C	-	12	-
Net cost of services		267,283	221,161	262,436
Revenue from Government	1.2D	257,525	266,333	258,332
Operating surplus / (deficit)		(9,758)	45,172	(4,104)
Other comprehensive income				
Items not subject to subsequent reclassification to net cost of services				
Increase / (Decrease) in asset revaluation reserve	3.2	-	8,187	-
Total comprehensive gain / (loss)		(9,758)	53,359	(4,104)

The above statement should be read in conjunction with the accompanying notes.

Budget Variances Commentary

Expenses

Total expenses were \$7.1m above budget, primarily driven by:

- Employee benefits were \$9.3m below budget, reflecting lower-than-budgeted staffing levels during the year due to challenges in recruiting specialist resources required for project delivery, resulting in greater reliance on contractors and external resources.
- Supplier expenses were \$20.0m above budget, primarily due to increased costs associated with accelerated project delivery, including the greater use of contractors and external resources, a change in the accounting treatment of ComCover premiums, and regulatory enforcement activities.
- Depreciation and Amortisation were \$3.3m below budget, reflecting lower-than-anticipated capital expenditure and the impact of revised office lease arrangements.

Own-Source Revenue

- Own-source revenue was \$2.3m above budget, primarily due to the revised ComCover premium accounting treatment.

Revenue from Government

- Revenue from Government was \$0.8m below budget, reflecting lower-than-forecast growth in superannuation industry assets in the June 2025 quarter. The shortfall will be recovered through the 2026–27 levy collection process.

Operating Result

- APRA reported an operating deficit of \$9.8m was \$5.6m higher than budget, driven by the variances outlined above.
- While the operating deficit was higher than the Original Budget, it remained within the revised operating deficit approved by the Minister for Finance, which authorised APRA to utilise accumulated retained earnings through approved movements of funds between financial years.

Statement of financial position

as at 30 June 2026

	Notes	2026 \$'000	2025 \$'000	Original Budget \$'000
Assets				
Financial assets				
Cash and cash equivalents	3.1A	122,429	118,670	93,536
Trade and other receivables	3.1B	6,609	4,999	4,989
Total financial assets		129,038	123,669	98,525
Non-financial assets				
Property, plant and equipment ¹	3.2	59,278	67,806	62,203
Intangibles	3.2	20,640	27,608	18,086
Prepayments		5,941	6,897	7,570
Total non-financial assets		85,859	102,311	87,859
Total assets		214,897	225,980	186,384
Liabilities				
Payables				
Suppliers	3.3A	6,577	5,086	4,590
Other payables	3.3B	6,910	5,870	6,225
Total payables		13,487	10,956	10,815
Interest bearing liabilities				
Leases	3.4	44,175	50,568	47,226
Total interest bearing liabilities		44,175	50,568	47,226
Provisions				
Employee provisions	6.1	48,489	45,831	58,520
Other provisions	3.5	95	216	9,616
Total provisions		48,584	46,047	68,136
Total liabilities		106,246	107,571	126,177
Net assets		108,651	118,409	60,207
Equity				
Contributed equity		16,657	16,657	16,657
Retained surpluses		75,468	82,717	30,743
Asset revaluation reserve		8,220	8,227	43
Contingency Enforcement Fund		8,306	10,808	12,764
Total equity		108,651	118,409	60,207

The above statement should be read in conjunction with the accompanying notes.

¹ Right-of-Use assets are included in Property, plant and equipment.

Statement of financial position - continued

as at 30 June 2026

Budget Variances Commentary

Assets:

Total assets were \$28.5m above budget, primarily due to:

- Financial Assets: Exceeded budget by \$30.5m, reflecting higher cash balances primarily due to a higher opening cash balance compared to budget as outlined in the Cash flow statement.
- Non-Financial Assets: Were \$2.0m below budget, due to reduced capitalised expenditure (refer to Note 3.2).

Liabilities:

Total liabilities were \$19.9m below budget, driven by:

- Employee Provisions: Lower than budget by \$10.0m, reflecting movements in leave provisions and lower average staffing levels (refer to Note 6.1).
- Lease Liabilities: Lower than budget by \$3.1m, largely due to the timing of office lease renewals.
- Other Provisions: Lower than budget by \$9.5m, primarily due to reductions in restoration obligations under office lease arrangements (refer to Note 3.5).

Equity:

Total equity was \$48.4m above budget, attributable to:

- Retained Surpluses: Higher than budget by \$43.9m, primarily due to the cumulative impact of retained surpluses from prior year together with the current year operating result as outlined in the Statement of Comprehensive Income.
- Asset Revaluation Reserve: Exceeded budget by \$8.2m, due to the prior year revaluation of leasehold improvements following the renewal of office leases.
- Contingency Enforcement Fund (CEF): Lower than budget by \$4.4m, due to utilisation of the fund in relation to legal matters during the year.

Statement of changes in equity

for the year ended 30 June 2026

	2026 \$'000	2025 \$'000	Original Budget \$'000
Contributed equity			
Opening balance	16,657	16,657	16,657
Closing balance as at 30 June	16,657	16,657	16,657
Retained surpluses			
Opening balance	82,717	37,586	35,847
Transfer from / (to) Contingency Enforcement Fund	2,502	(44)	(1,000)
(Deficit) / Surplus for the period	(9,758)	45,172	(4,104)
Transfer from revaluation reserve	7	3	-
Closing balance as at 30 June	75,468	82,717	30,743
Asset revaluation reserve			
Opening balance	8,227	43	43
Increase / (Decrease) in asset revaluation reserve	-	8,187	-
Transfer to retained surpluses	(7)	(3)	-
Closing balance as at 30 June	8,220	8,227	43
Contingency Enforcement Fund			
Opening balance	10,808	10,764	11,764
Transfer (to) / from retained surpluses	(2,502)	44	1,000
Closing balance as at 30 June	8,306	10,808	12,764
Total equity			
Opening balance	118,409	65,050	64,311
Increase / (Decrease) in asset revaluation reserve	-	8,187	-
(Deficit) / Surplus for the period	(9,758)	45,172	(4,104)
Closing balance as at 30 June	108,651	118,409	60,207

The above statement should be read in conjunction with the accompanying notes.

Statement of changes in equity - continued

for the year ended 30 June 2026

Budget Variances Commentary

Retained Surpluses:

- Retained surpluses were higher than budget, primarily due to the cumulative impact of retained surpluses from prior year together with the current year operating result as outlined in the Statement of Comprehensive Income.

Asset Revaluation Reserve:

- The asset revaluation reserve was higher than budget by \$8.2m due to the prior year revaluation of leasehold improvements following the renewal of office leases.

Contingency Enforcement Fund (CEF):

- The balance of the Contingency Enforcement Fund was \$4.4m below budget, due to drawdowns associated with legal matters during the reporting period.

Cash flow statement

for the year ended 30 June 2026

	Notes	2026 \$'000	2025 \$'000	Original Budget \$'000
Operating activities				
Cash received				
Appropriations		256,552	266,242	258,332
Section 74 receipts received ¹		12,358	11,706	-
Rendering of services		5,563	6,335	5,857
GST received		6,421	4,862	-
Other		212	156	300
Total cash received		281,106	289,301	264,489
Cash used				
Employees		(181,927)	(168,332)	(187,816)
Suppliers		(66,230)	(43,611)	(51,186)
Interest payments on lease liabilities		(1,929)	(1,116)	(1,997)
GST paid		(6,681)	(5,224)	-
Section 74 receipts transferred to Official Public Account (OPA) ¹		(12,358)	(11,706)	-
Total cash used		(269,125)	(229,989)	(240,999)
Net cash from operating activities		11,981	59,312	23,490
Investing activities				
Cash used				
Purchase of property, plant and equipment		(1,564)	(3,513)	-
Purchase / development of software intangibles		(265)	(241)	(3,930)
Net cash used by investing activities		(1,829)	(3,754)	(3,930)
Financing activities				
Cash used				
Principal payments of lease liabilities		(6,393)	(6,555)	(7,765)
Net cash used by financing activities		(6,393)	(6,555)	(7,765)
Net (decrease) / increase in cash held		3,759	49,003	11,795
Cash and cash equivalents at the beginning of the reporting period		118,670	69,667	81,741
Cash and cash equivalents at the end of the reporting period	3.1A	122,429	118,670	93,536

The above statement should be read in conjunction with the accompanying notes.

Cash flow statement - continued

for the year ended 30 June 2026

Budget Variances Commentary

Cash and cash equivalents at the end of the reporting period were \$28.9m above budget, primarily due to a higher opening cash balance compared to budget and the following movements during the year:

Operating Activities:

Net cash inflows from operating activities was \$11.5m lower than budget, driven by:

- Appropriations: Lower than budget by \$1.8m, reflecting the under-collection of industry levies which resulted in decreased revenue from government.
- Employee-Related Payments: Lower than budget by \$5.9m, due to lower than budget employee expenses.
- Supplier-Related Payments: Higher than budget by \$15.0m, due to higher than budget supplier costs.

Investing Activities:

- Net cash used in investing activities was \$2.1m below budget, primarily due to lower purchase and development of software intangibles costs (refer to Note 3.2).

Financing Activities:

- Net cash outflows from financing activities were \$1.4m below budget, reflecting the timing of office lease renewals.

¹ Section 74 transactions continue to be presented within operating activities (cash received and cash used) in the Cash Flow Statement. This presentation affects the gross classification of operating cash flows only and has no impact on net cash flows, the operating result, or net assets.

Administered schedule of comprehensive income for the year ended 30 June 2026

	Notes	2026 \$'000	2025 \$'000	Original Budget \$'000
Net cost of services				
Expenses				
Risk equalisation payments	2.1	461,217	405,299	430,000
Lloyds Security Deposit (held in trust) interest expense	2.1	55	55	55
Total expenses	2.1	461,272	405,354	430,055
Income				
Levy revenue				
Risk equalisation levy collections	2.2A	461,217	405,299	430,000
Financial Institutions Supervisory Levies	2.2A	281,841	297,892	282,586
Total levy revenue		743,058	703,191	712,586
Other revenue				
Enforcement recoveries	2.2B	-	10,705	-
Lloyds Security Deposit (held in trust) interest income	2.2B	55	55	55
Total other revenue		55	10,760	55
Total income		743,113	713,951	712,641
Surplus		281,841	308,597	282,586

The above schedule should be read in conjunction with the accompanying notes.

Budget Variances Commentary

Risk Equalisation:

- Total risk equalisation receipts and payments were \$31.2m above budget, primarily due to higher-than-anticipated benefits paid across the private health insurance industry. This increase reflects elevated activity levels in hospital procedures and treatments, which directly influence the overall scale of risk equalisation levy collections and payments across the sector.

Financial Institutions Supervisory Levies:

- Total Financial Institutions Supervisory Levies were by \$0.8m below budget, driven by a lower-than-projected asset growth rate in the superannuation industry during the June 2025 quarter. This under-collection will be charged to industry through the 2026–27 levy collection process.

Administered schedule of assets and liabilities

as at 30 June 2026

	Notes	2026 \$'000	2025 \$'000	Original Budget \$'000
Assets				
Financial assets				
Receivables	4.1B	3,353	2,380	3,051
Total assets administered on behalf of Government		3,353	2,380	3,051
Liabilities				
Lloyds Security Deposit (held in trust)	4.3	2,000	2,000	2,000
Total liabilities administered on behalf of Government		2,000	2,000	2,000
Net assets		1,353	380	1,051

The above schedule should be read in conjunction with the accompanying notes.

Budget Variances Commentary

Assets and Net assets:

- Total assets and net assets were \$0.3m above budget, primarily due to uncollected NCPD levies at year end. All related cash balances were transferred during the prior period to the Federal Government and the Consolidated Revenue Fund.

Administered reconciliation schedule

for the year ended 30 June 2026

	Notes	2026 \$'000	2025 \$'000
Opening assets less liabilities as at 1 July		380	1,051
Income		743,113	713,951
Expenses	2.1	(461,272)	(405,354)
Transfers (to) / from the Australian Government:			
Appropriation transfers from Official Public Account (OPA)		461,217	405,299
Appropriation transfers to OPA		(742,085)	(714,567)
Closing assets less liabilities as at 30 June		1,353	380

The above schedule should be read in conjunction with the accompanying notes.

Accounting Policy

Administered Cash Transfers to and from the Official Public Account (OPA)

Revenue collected by APRA for use by the Government rather than APRA is administered revenue. Collections are transferred to the OPA maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by APRA on behalf of the Government and reported as such in the schedule of administered cash flows and in the administered reconciliation schedule.

Administered cash flow statement

for the year ended 30 June 2026

	Notes	2026 \$'000	2025 \$'000
Operating activities			
Cash received			
Financial Institutions Supervisory Levies		280,868	297,780
Enforcement recoveries		-	11,488
Risk equalisation levy collections		461,217	405,299
Total cash received		742,085	714,567
Cash used			
Risk equalisation levy payments		(461,217)	(405,299)
Total cash used		(461,217)	(405,299)
Net cash from operating activities		280,868	309,268
Cash to Official Public Account			
Financial Institutions Supervisory Levies		(280,868)	(297,780)
Financial Claims Scheme		-	-
Enforcement recoveries		-	(11,488)
Total cash to Official Public Account		(280,868)	(309,268)
Net increase / (decrease) in cash held		-	-
Cash at the beginning of the reporting period		-	-
Cash at the end of the reporting period	4.1A	-	-

This schedule should be read in conjunction with the accompanying notes.

Notes to the financial statements

Overview

Objectives of the Australian Prudential Regulation Authority (APRA)

APRA is an independent statutory authority established for the purpose of prudential supervision of financial institutions and for promoting financial stability in Australia. APRA's role is to regulate relevant financial institutions through a robust prudential framework of legislation, prudential standards and guidance, which aims to ensure that risk-taking is conducted within reasonable bounds and that risks are clearly identified and well-managed. In performing and exercising its functions, APRA is required to balance the objectives of financial safety and efficiency, competition, contestability and competitive neutrality, and, in doing so, to promote financial system stability in Australia. APRA is a not-for-profit entity.

APRA's activities contributing toward these outcomes are classified as either 'departmental' or 'administered'. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by APRA in its own right. Administered activities involve the management or oversight by APRA, on behalf of the Government, of items controlled or incurred by the Government.

APRA's continued existence in its present form and with its present programs is dependent on Government policy and on continuing appropriations from Parliament.

Basis of preparation of the financial statements

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
- Australian Accounting Standards and Interpretations - Including simplified disclosures for Tier 2 Entities under AASB1060 issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

New Accounting Standards

All new, revised or amending standards and/or interpretations that were issued prior to the sign-off date were reviewed with no impact on APRA's financial statements.

Taxation

APRA is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

Reporting of administered activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the Administered Schedules and related notes. These administered items are distinguished from departmental items throughout these financial statements by background shading. Except where otherwise stated, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

Events after the reporting period

Departmental

There were no significant events occurring after the statement of financial position date that have the potential to significantly affect the ongoing financial activities of APRA.

Administered

There were no significant events occurring after the statement of financial position date that have the potential to significantly affect the administered activities of APRA.

DEPARTMENTAL FINANCIAL PERFORMANCE

This section analyses the departmental financial performance of the Australian Prudential Regulation Authority for the year ended 30 June 2026.

1.1 Expenses

	2026 \$'000	2025 \$'000
1.1A: Employee benefits		
Wages and salaries	145,904	135,163
Superannuation		
Defined contribution plans	17,085	15,436
Defined benefit plans	477	524
Leave and other entitlements	18,864	17,104
Separation and redundancies	2,971	891
Other employee benefits	234	386
Total employee benefits	185,535	169,504

Accounting policy

Accounting policies for employee-related expenses are detailed in section 6: People and relationships.

1.1B: Suppliers

Services rendered

Professional services & consultants	19,952	9,781
Information, communication and technology	14,846	12,040
Contractors	19,965	7,819
Administrative	7,507	4,771
Property	3,080	2,877
Training and conferences	2,784	2,604
Travel	2,044	1,903
Total services rendered	70,178	41,795

Other suppliers

Workers compensation expenses	204	689
Short-term leases and leases of low value assets	669	503
Total other suppliers	873	1,192
Total suppliers	71,051	42,987

Accounting policy

Short-term leases and leases of low value assets

APRA has elected not to recognise Right-of-Use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000). APRA recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

1.1C: Finance costs

Interest on lease liabilities	1,929	1,116
Adjustment to discount on restoration provisions	8	207
Banking fees	5	4
Total finance costs	1,942	1,327

The above lease disclosures should be read in conjunction with accompanying notes 3.4 and 3.5.

1.2 Own-source revenue and gains

	Notes	2026 \$'000	2025 \$'000
1.2A: Revenue from contracts with customers			
Rendering of services		5,479	5,715
Total revenue from contracts with customers		5,479	5,715
Type of service			
Statistical data collection services		835	794
Cost recoveries for employees on secondment		874	1,714
Capital adequacy assessment services		3,770	3,207
Total revenue from contracts with customers		5,479	5,715
Type of customer			
Australian Government entities (related parties)		1,709	2,508
Non-government entities		3,770	3,207
Total revenue from contracts with customers		5,479	5,715
1.2B: Other revenue			
Licence fees from finance sector entities		232	344
Resources received free of charge		2,558	170
Fees from foreign bank representative offices		48	47
Gain from release of restoration provisions		129	8,475
Other		212	154
Total other revenue		3,179	9,190

Accounting policies

Rendering of services and other revenue

Revenue from rendering of services is recognised progressively as the services are provided to the customer where it can be demonstrated that:

- the customer simultaneously receives and consumes the services as they are provided;
- the services create an asset that the customer controls as the asset is created; or
- the services have no alternative use to APRA and an enforceable right to either a payment or the retention of a payment exists for work completed to date.

The amount of revenue recognised is determined by reference to progress made in satisfying any obligations that exist.

Where the criteria are not met to recognise revenue over time, revenue is recognised at a point in time once performance obligations are satisfied and control has transferred to the customer. Revenue and receipts from sources other than an Appropriation Act are classified as Section 74 receipts.

Receivables for services, which have 30-day terms, are recognised at the nominal amounts due less impairment allowances, if applicable. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Resources received free of charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature. Resources received free of charge comprised audit services provided by the Australian National Audit Office (ANAO) valued at \$177,000 (2025: \$170,000), and Comcover premium services of \$2,381,000 recognised under a revised accounting treatment adopted from 2025–26.

1.2C: Reversal of write-downs and impairments

Reversal of impairment losses	-	12
Total reversal of previous asset write-downs and impairment	-	12

1.2D: Revenue from Government

Statutory credits	242,531	249,972
Departmental appropriation	14,994	16,361
Total revenue from Government	257,525	266,333

Accounting policy

Revenue from Government

Amounts appropriated for the year (adjusted for formal additions and reductions) and statutory credits are recognised as revenue from Government when APRA gains control of the appropriation.

Appropriations receivable are recognised at their nominal amounts.

Income and expenses administered on behalf of Government

This section analyses the activities that the Australian Prudential Regulation Authority does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

2.1 Administered - Expenses

	Notes	2026 \$'000	2025 \$'000
Expenses			
Risk equalisation levy payments		461,217	405,299
Lloyds Security Deposit (held in trust) interest expense	4.2	55	55
Total other expenses		461,272	405,354

Accounting policy

Expenses

Private health insurance risk equalisation expenses reflect amounts returned to relevant industry participants. These are recognised as administered expenses.

2.2 Administered - Income

	2026 \$'000	2025 \$'000
Revenue		
2.2A: Levy revenue		
Risk equalisation levy receipts	461,217	405,299
Financial Institutions Supervisory Levies and penalties (see Table 1) ¹	281,865	297,892
Supervisory Levy waivers (see Table 2)	(24)	-
Total levy revenue	743,058	703,191

Accounting policy

Revenue

Most of the administered revenues relate to the ordinary activities performed by APRA on behalf of the Australian Government. These revenues are not directly available to be used by APRA for its own purposes and are remitted to the OPA, or in the case of the private health insurance risk equalisation levies, returned to the relevant industry participants in accordance with the *Private Health Insurance (Risk Equalisation Policy) Rules 2015* (the Rules).

APRA undertakes the collection of certain levies on behalf of the Government. These comprise Financial Institutions Supervisory Levies, Financial Assistance Levies and late payment penalties collected under the *Financial Institutions Supervisory Levies Collection Act 1998*. Risk equalisation levy receipts are set to equalise risk across the private health insurance industry, and are returned to relevant industry participants in accordance with the Rules shortly after they are collected.

The Financial Institutions Supervisory Levies are set to recover the operational costs of APRA, and other specific costs incurred by certain Commonwealth agencies and departments.

Administered revenue arising from levies (including Financial Assistance Levies) is recognised on an accrual basis, in line with the Minister's regulations and determinations. The collectability of debts is reviewed at balance date. Provisions are made when collection of the debt is judged to be less, rather than more likely.

Table 1: Financial Institutions Supervisory Levies revenue by type

Levy:

Superannuation funds	111,595	123,517
Authorised deposit-taking institutions	110,885	107,425
General insurers	29,826	34,296
Life insurers and friendly societies	19,559	22,620
Private health insurers	10,000	10,000
Total Financial Industry Supervisory Levies	281,865	297,858

Late payment penalties:

Superannuation funds	-	34
Total late payment penalties	-	34
Total current year financial industry levies and penalties	281,865	297,892

¹ Financial Institutions Supervisory Levies are detailed in an annual consultation paper released by The Treasury. In addition, APRA publishes a Cost Recovery Implementation Statement in relation to its component of the Financial Institutions Supervisory Levies.

Table 2: Levies and late payment penalties waived by type

Waivers:

Superannuation funds	(24)	-
Total waivers	(24)	-

Waivers of levy debts are recognised as an offset to invoiced revenue at the time of approval by delegated APRA officials. Waivers generally occur due to a change of status of a supervised entity during the year, resulting in the annual levy being wholly or partly waived.

2.2B: Other revenue

Enforcement recoveries	-	10,705
Lloyds Security Deposit (held in trust) interest income	55	55
Total other revenue	55	10,760
Total revenue	743,113	713,951

Departmental financial position

This section analyses the Australian Prudential Regulation Authority's assets used to conduct its operations and the operating liabilities incurred as a result.

Employee-related information is disclosed in the People and Relationships section (section 6).

3.1 Financial assets

	2026 \$'000	2025 \$'000
3.1A: Cash and cash equivalents		
Cash in special account	120,395	116,519
Cash on deposit	2,034	2,151
Total cash and cash equivalents	122,429	118,670

Accounting policy

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- a) Demand deposits in bank accounts that are readily convertible to known amounts of cash; and
- b) Cash in special accounts.

3.1B: Trade and other receivables

Services receivable

Services receivable	21	4,057
Total services receivable	21	4,057

Appropriations receivable

Statutory credits receivable	1,156	183
Total appropriations receivable	1,156	183

Other receivables

GST receivable from the Australian Taxation Office	717	454
Other	4,715	305
Total other receivables	5,432	759
Total trade and other receivables (gross)	6,609	4,999

Less: impairment loss allowance	-	-
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Total trade and other receivables (net)	6,609	4,999
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Credit terms for services rendered were within 30 days (2025: 30 days).

Accounting policies

Financial assets

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for a loss allowance, if applicable.

Impairment of financial assets

Financial assets are individually assessed for impairment at each balance date.

3.2 Non-financial assets

Reconciliation of the opening and closing balances of property, plant and equipment and intangibles

	Right-of-Use lease assets \$'000	Leasehold improvements \$'000	Computer hardware and office equipment \$'000	Total property plant and equipment \$'000	Computer software internally developed \$'000	Computer software purchased \$'000	Total intangibles \$'000	Total \$'000
As at 1 July 2025								
Gross book value	84,837	15,345	5,890	106,072	99,026	8,749	107,775	213,847
Accumulated depreciation, amortisation and impairment	(36,206)	(150)	(1,910)	(38,266)	(72,169)	(7,998)	(80,167)	(118,433)
Net book value 1 July 2025	48,631	15,195	3,980	67,806	26,857	751	27,608	95,414
Additions:								
By purchase	-	44	1,520	1,564	-	-	-	1,564
Internally developed	-	-	-	-	265	-	265	265
Depreciation and amortisation:								
Depreciation and amortisation expense	(6,141)	(2,009)	(1,934)	(10,084)	(6,602)	(575)	(7,177)	(17,261)
Disposals:								
Assets written off ¹	-	-	(8)	(8)	(47)	(9)	(56)	(64)
Net book value 30 June 2026	42,490	13,230	3,558	59,278	20,473	167	20,640	79,918
Net book value as at 30 June 2026 represented by:								
Gross book value	84,183	15,174	7,212	106,569	98,429	6,408	104,837	211,406
Accumulated depreciation, amortisation and impairment	(41,693)	(1,944)	(3,654)	(47,291)	(77,956)	(6,241)	(84,197)	(131,488)
Net book value 30 June 2026	42,490	13,230	3,558	59,278	20,473	167	20,640	79,918

Assets written off during the year primarily relate to the disposal of purchased and internally developed computer software, leasehold improvements including restoration costs and fit-out assets, and Right-of-Use lease assets associated with the Adelaide office.

Revaluations of non-financial assets

Revaluations are conducted in accordance with the revaluation policy stated in this Note 3.2. The last independent revaluation for all tangible assets was undertaken in May 2024 by an independent valuer, and revaluation adjustments have been applied as appropriate. The reassessment for the restoration costs, provided by an independent valuer in June 2025, resulted in an increase in the related Leasehold improvement assets.

No significant non-financial assets are expected to be sold, disposed of or retired within the next 12 months.

No material contractual commitments for the purchase of property, plant and equipment and intangible assets currently exist.

3.2 Non-financial assets - continued

Accounting policies

Assets are recorded at cost on acquisition, except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for a nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructure.

Asset recognition threshold

Purchases of leasehold improvements and computer hardware / software are initially recognised at cost in the statement of financial position, except for purchases costing less than \$5,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items that are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to restoration provisions in property leases where there exists an obligation to restore the property to its original condition. These costs are included in the value of APRA's leasehold improvements with a corresponding provision for the restoration recognised.

Lease Right-of-Use (RoU) Assets

Leased RoU assets are capitalised at the commencement date of the lease and comprise the initial lease liability amount, direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by APRA as separate asset classes to assets owned outright, but included in the same category as where the corresponding underlying assets would be presented if they were owned.

Following initial application, an impairment review is undertaken for any Right-of-Use lease asset that shows indicators of impairment and an impairment loss is recognised against any Right-of-Use lease asset that is impaired. Lease RoU assets continue to be measured at cost after initial recognition in the financial statements.

Revaluations

Following initial recognition at cost, property, plant and equipment (excluding RoU assets) are carried at fair value, less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency such that the carrying amounts of assets do not differ materially from the assets' fair values at the reporting date. The regularity of independent valuations depend on the volatility of movements in market values for the relevant assets. APRA conducts such valuations usually every three years as at 30 June.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus / deficit. Revaluation decrements for a class of assets are recognised directly in the surplus / deficit except to the extent that they reversed a previous revaluation increment for that asset class.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

3.2 Non-financial assets - continued

Depreciation

Depreciable computer hardware / software assets are written-off over their estimated useful lives to APRA using, in all cases, the straight-line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation rates (useful lives) and residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2026	2025
Right-of-Use finance lease assets*	Lease term	Lease term
Leasehold improvements	Lease term	Lease term
Computer hardware, software & intangibles	3 to 10 years	3 to 10 years

* The depreciation rates for RoU assets are based on the commencement date to the earlier of the end of the useful life of the RoU asset or the end of the lease term.

Impairment

All assets were assessed for impairment as at 30 June 2026. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if APRA were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

Leasehold improvements or computer hardware / software are derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Intangibles

APRA's intangibles comprise internally developed software and purchased software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Cloud-based Software-As-A-Service (SAAS) services, and the configuration work required to enable the use of such services, are not considered capital expenditure. Such configuration work is expensed as it is incurred.

All software assets were assessed for indications of impairment as at 30 June 2026.

Significant accounting judgements and estimates

Management performs a detailed review each reporting period to assess whether there are any indicators of impairment. This review involves the use of management judgement.

Fair value measurement

Following initial recognition at cost, leasehold improvements, computer hardware and office equipment are carried at fair value, less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency such that the carrying amounts of assets do not differ materially from the assets' fair values at the reporting date. The regularity of independent valuations depend on the volatility of movements in market values for the relevant assets.

3.3 Payables

	2026 \$'000	2025 \$'000
3.3A: Suppliers		
Trade creditors and accruals	6,577	5,086
Total suppliers	6,577	5,086

Suppliers are expected to be settled in less than 12 months.

3.3B: Other payables

Salaries and wages	6,370	5,419
Unearned revenue	537	359
GST payable / (receivable) to the Australian Taxation Office	3	-
Other	-	92
Total other payables	6,910	5,870

Accounting policy

Financial liabilities

APRA classifies its financial liabilities as 'payables'. Supplier and other payables are recognised at amortised cost.

Liabilities are recognised to the extent that the goods or services have been received, irrespective of having been invoiced.

3.4 Interest bearing liabilities

	2026 \$'000	2025 \$'000
3.4: Leases		
Lease liabilities	44,175	50,568
Total leases	44,175	50,568
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	6,474	7,687
Between 1 to 5 years	27,812	26,755
More than 5 years	17,722	25,253
Total leases	52,008	59,695

Total cash outflow for leases for the year ended 30 June 2026 was \$8,322,000 (2025: \$7,671,000).

Accounting policy

Leases

For all new contracts entered into, APRA considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or APRA's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the Right-of-Use asset or profit and loss depending on the nature of the reassessment or modification.

3.5 Other provisions

	Leasehold improvements provision for restoration \$'000	Total other provisions \$'000
Carrying amount as at 1 July	216	216
Provisions released	(129)	(129)
Annual adjustment to discount on restoration provisions	8	8
Closing balance as at 30 June	95	95

At 30 June 2026, APRA leased premises in Sydney, Melbourne, Brisbane and Canberra. APRA did not renew the lease for its Adelaide office and exited the premises on 30 June 2026.

The lease conditions of the former Adelaide location required APRA, upon expiration of the lease, to restore the premises to their original condition. For the other locations, the requirement is to leave the premises in a clean and tidy condition at the end of the lease. APRA has made the required provisions to reflect the present value of these obligations.

Significant accounting judgements and estimates

Leasehold improvements provision for restoration

Estimated cost per square metre to restore the leased properties to the required condition are:

Sydney - \$nil (2025: \$nil); Melbourne - \$nil (2025: \$nil); Adelaide - \$nil (2025: \$795); and Brisbane - \$60 (2025: \$60).

During the year, restoration provisions for the Adelaide office was released following the removal of the associated obligations, resulting in a gain of \$0.13m (see note 1.2).

Accounting policy

Leasehold improvements provision for restoration

Leasehold improvements provisions for restoration are initially measured at fair value, net of transaction costs. These are adjusted each year using an effective interest rate method to estimate the present value of the future obligation at the end of the reporting period. The effective interest rate is the rate that exactly discounts the estimated future cash payments at the end of the expected life of the provision.

Assets and liabilities administered on behalf of the Government

This section analyses assets used to conduct operations and the operating liabilities incurred as a result of activities that APRA does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

4.1 Administered - Financial assets

	2026 \$'000	2025 \$'000
4.1A: Cash and cash equivalents		
Financial Claims Scheme	-	-
Total cash and cash equivalents	-	-
4.1B: Receivables		
Lloyds Security Deposit (held in trust) ¹	2,000	2,000
Financial Assistance Levy	197	197
Financial Institutions Supervisory Levies	1,156	183
Total receivables	3,353	2,380
¹ See note 4.2 for further details.		
Receivables were aged as follows:		
Not overdue	3,156	2,181
Overdue by:		
more than 90 days ²	197	199
Total receivables	3,353	2,380

² There is no impairment allowance in 2026: Nil (2025: Nil). The receivables greater than 90 days relate to the previous Financial Assistance Levy (FAL) that were charged to superannuation funds that were no longer APRA-regulated institutions at the levy date. The outstanding amount will be added to the next FAL and collected at that time.

4.2 Administered - Assets held in trust

Monetary assets

The Lloyds Security Deposit is held by APRA in trust. Responsibility for the administration of the Lloyds Security Deposit was transferred from The Treasury to APRA on 26 May 2008. The purpose is to disburse amounts in accordance with section 92Q of the *Insurance Act 1973*.

	2026 \$'000	2025 \$'000
Lloyds Security Deposit (held in trust)		
Total amount held at the beginning of the reporting period	2,000	2,000
Receipts	(55)	(55)
Payments	55	55
Total amount held at the end of the reporting period	2,000	2,000
Total	2,000	2,000

The market valuation as at 30 June 2026 for the Lloyd's Security Deposit was \$2,103,843 (2025: \$2,063,687).

Non-monetary assets

APRA has no non-monetary assets held in trust.

4.3 Administered - Payables

	2026 \$'000	2025 \$'000
Other payables		
Lloyds Security Deposit (held in trust)	2,000	2,000
Total other payables	2,000	2,000

Funding

This section identifies the Australian Prudential Regulation Authority's funding structure.

5.1 Appropriations

5.1A: Annual appropriations ('recoverable GST exclusive')

Annual appropriations for 2026

	Annual Appropriation	Adjustments to appropriation ¹	Total appropriation	Appropriation applied in 2026 (current and prior years)	Variance
	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental					
Ordinary annual services	14,994	12,358	27,352	27,352	-
Total departmental	14,994	12,358	27,352	27,352	-
Administered					
Other services					
New administered outcomes	-	-	-	-	-
Total administered	-	-	-	-	-

¹ PGPA Act Section 74 receipts

Annual appropriations for 2025

	Annual Appropriation	Adjustments to appropriation	Total appropriation	Appropriation applied in 2025 (current and prior years)	Variance
	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental					
Ordinary annual services	16,361	11,706	28,067	28,067	-
Total departmental	16,361	11,706	28,067	28,067	-
Administered					
Other services					
New administered outcomes	-	-	-	-	-
Total administered	-	-	-	-	-

5.1 Appropriations - continued

5.1B: Unspent annual appropriations ('recoverable GST exclusive')

	2026 \$'000	2025 \$'000
Departmental		
Appropriation Act (No. 1) 2025-26	-	-
Appropriation Act (No. 1) 2024-25	-	-
Total	-	-

5.1C: Special appropriations - Administered ('recoverable GST exclusive')

APRA administers the below three Special Appropriations; however, there are no balances and no transactions in the current or previous periods.

Authority:

Insurance Act 1973, s.92Q(5)

Public Governance, Performance and Accountability Act 2013, s.77

Superannuation Industry (Supervision) Act 1993, s.231(4)

5.2 Special Accounts

	APRA Special Account (Departmental) ¹			Financial Claims Scheme Special Account (Administered) ²			Risk Equalisation Special Account (Administered) ³		
	2026 \$'000	2025 \$'000		2026 \$'000	2025 \$'000		2026 \$'000	2025 \$'000	
Balance brought forward from previous period	118,670	69,667		-	-		-	-	
Increases:									
Departmental									
Statutory credits for reporting period	241,558	249,881		-	-		-	-	
Appropriation Act No.1 and Supply Act No.1	14,994	16,361		-	-		-	-	
S74 Receipts	12,358	11,706		-	-		-	-	
Other receipts	12,196	11,353		-	-		-	-	
Total departmental increases	281,106	289,301		-	-		-	-	
Administered									
Special appropriation for reporting period	-	-		-	-		461,217	405,299	
Total administered increases	-	-		-	-		461,217	405,299	
Available for payments	399,776	358,968		-	-		461,217	405,299	
Decreases:									
Departmental									
Total departmental decreases	(277,347)	(240,298)		-	-		-	-	
Administered									
Repayments made from the Special Account	-	-		-	-		(461,217)	(405,299)	
Total administered decreases	-	-		-	-		(461,217)	(405,299)	
Total balance carried to the next period	122,429	118,670		-	-		-	-	
Balance represented by									
Cash in APRA official bank accounts	2,034	2,151		-	-		-	-	
Cash with the Official Public Account (OPA)	120,395	116,519		-	-		-	-	
Total balance carried to the next period	122,429	118,670		-	-		-	-	

5.2 Special Accounts - continued

¹ **Special account:** *Public Governance, Performance and Accountability Act 2013, section 80.*

Establishing Act: *Australian Prudential Regulation Authority Act 1998, section 52.*

Purpose: To pay the costs and other obligations incurred by APRA in the performance of its functions or the exercise of its powers; to pay any remuneration or allowances payable to persons appointed or engaged under the APRA Act; and to make any other payments that APRA is authorised or required to make under the APRA Act or any other law of the Commonwealth (refer subsection 54(1) of the *Australian Prudential Regulation Authority Act 1998*).

² **Appropriation:** *Public Governance, Performance and Accountability Act 2013, section 80.*

Establishing Act: *Australian Prudential Regulation Authority Act 1998, section 54A.*

There were no transactions debited or credited to this special account in the current reporting period.

Purpose: To meet account-holders' entitlements under Subdivision C (Payment of account-holders with declared ADI) of Division 2AA of Part II of the *Banking Act 1959*; meet persons' entitlements under Division 3 (Early payment of claims) of Part VC of the *Insurance Act 1973*; pay APRA's agents or delegates amounts equal to the entitlements the agents or delegates meet on APRA's behalf or in the performance of APRA's delegated functions; and repayment of principal, interest and other costs connected with the borrowings under Part 5, Division 2 of the APRA Act (refer to section 54C of the *Australian Prudential Regulation Authority Act 1998*).

³ **Appropriation:** *Public Governance, Performance and Accountability Act 2013, section 80.*

Establishing Act: *Private Health Insurance Act 2007, section 318-1.*

There were 112 (2025: 119) transactions debited and credited to the Risk Equalisation Special Account in the current reporting period.

Purpose: To make payments to private health insurers in accordance with the *Private Health Insurance (Risk Equalisation Policy) Rules 2015* (refer to section 318-10 of the *Private Health Insurance Act 2007*).

Collapsed Insurer Special Account

Appropriation: *Public Governance, Performance and Accountability Act 2013, section 80.*

Establishing Act: *Australian Prudential Regulation Authority Act 1998, section 54F.*

There were no transactions debited or credited to the Collapsed Insurer Special Account in the current reporting period, which keeps the account with a \$nil balance.

Purpose: To make payments to help meet a collapsed insurer's liabilities to the people insured under its complying health insurance policies that the collapsed insurer is unable to meet itself; to make payments by way of refund of amounts paid by way of the collapsed insurer levy or late payment penalty in respect of unpaid amounts of the collapsed insurer levy; and to meet APRA's associated administrative costs under subsection 54H(1) of the *Australian Prudential Regulation Authority Act 1998*.

5.3 Regulatory charging summary

	2026 \$'000	2025 \$'000
Amounts applied		
Departmental		
Statutory credits (including special accounts)	242,531	249,972
Departmental appropriation	14,994	16,361
Own source revenue	6,100	14,735
Reversal of write-downs and impairments	-	12
Administered	-	-
Total amounts applied	263,625	281,080
Expenses		
Departmental	273,383	235,908
Administered	-	-
Total expenses	273,383	235,908
External revenue		
Departmental ¹	248,631	264,719
Administered	-	-
Total revenue	248,631	264,719

¹External revenue for 2024–25 has been restated to exclude departmental appropriation.

Regulatory charging activities:

- Financial Industry Supervisory Levies
- Statistical information provided to RBA and ABS
- Licence fees and other charges
- Assessment of models-based capital adequacy requirements for ADIs - Basel Framework

Cost recovery implementation statements for the above activities, excluding charges to the RBA and ABS as these are intra-governmental, are available at:

<https://www.apra.gov.au/banking/legislation-determinations-and-orders/fees-and-levies-authorized-deposit-taking>

People and relationships

This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people.

6.1 Employee provisions

	2026 \$'000	2025 \$'000
Employee provisions		
Leave	47,842	45,752
Other employee provisions	647	79
Total employee provisions	48,489	45,831

Accounting policies

Liabilities for short-term employee benefits and termination benefits expected within 12 months of the balance date are measured at their nominal amounts.

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

The annual and long service leave liabilities are calculated on the basis of employees' remuneration at the estimated salary and superannuation rates that will be applied at the time the leave is taken during service rather than paid out on termination. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Superannuation

Certain employees of APRA are members of the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS). The CSS and PSS are defined benefit schemes for the Australian Government. The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

All other long-term employee benefits are measured as the net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

APRA makes employer contributions to the employees' defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. APRA accounts for the contributions as if they were contributions to defined contribution plans. APRA also makes employer contributions to defined benefit schemes for former employees of the Reserve Bank of Australia and State-based regulators respectively. These defined benefit liabilities are recognised in the financial statements of the relevant funds.

For all other employees, employer contributions are made to the PSS accumulation plan or other superannuation (accumulation) funds as nominated by the employee.

Significant accounting judgements and estimates

The employee leave provisions have been determined by reference to standard parameters provided by the Department of Finance as well as an estimate of the proportion of leave likely to be taken in-service as compared to taken on termination. The leave taken was analysed and reviewed against the estimated leave to be taken and factored into the calculation. The expected long-term average annual salary growth rate assumption used in the calculation is 4% (2025: 4%).

6.2 Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. In 2025-26 APRA has determined the key management personnel to be the Cabinet Ministers and the APRA Members, whose remuneration and other benefits are set by the Remuneration Tribunal.

The key management personnel remuneration reported here excludes the remuneration and other benefits of the Cabinet Ministers. Their remuneration and other benefits are not paid for by APRA.

The total number of key management personnel included in the table below are: 4 (2025: 4).

2025/26 APRA key management personnel	Position	Period
John Lonsdale	Chair	1 July 2025 to 30 June 2026
Margaret Cole	Deputy Chair	1 July 2025 to 30 June 2026
Suzanne Smith	Member	1 July 2025 to 30 June 2026
Therese McCarthy Hockey	Member	1 July 2025 to 30 June 2026

Key management personnel remuneration is reported in the table below:

	2026 \$'000	2025 \$'000
Short-term employee benefits	3,121	2,981
Post-employment benefits	216	212
Other long-term benefits	75	135
Total key management personnel remuneration expenses	3,412	3,328

6.3 Related party disclosures

Related party relationships

APRA is an Australian Government controlled entity. Related parties to APRA are the key management personnel, including Cabinet Ministers and other Australian Government entities.

Transactions with related parties

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

Refer to Note 6.1 Employee provisions for details on superannuation arrangements in the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), and the PSS accumulation plan (PSSap).

APRA transacts with other Australian Government controlled entities consistent with normal day-to-day business operations provided under normal terms and conditions, including the payment of workers compensation and insurance premiums. These are not considered individually significant to warrant separate disclosure as related party transactions.

Managing uncertainties

This section analyses how the Australian Prudential Regulation Authority manages financial risks within its operating environment.

7.1 Contingent assets and liabilities

Significant contingent assets

APRA has no significant contingent assets as at the balance date (2025: Nil).

Quantifiable contingencies (APRA departmental)

APRA has no quantifiable contingencies as at the balance date (2025: Nil).

Unquantifiable contingencies (APRA departmental)

APRA has no unquantifiable contingencies as at the balance date (2025: Nil).

Accounting policy

Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the *Statement of financial position* but are reported in this note. They may arise from uncertainty as to the existence of an asset or liability, or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when the probability of settlement is greater than remote.

7.2 Administered contingent assets and liabilities

Unquantifiable administered contingencies

APRA is responsible for the administration of the Financial Claims Scheme (FCS). The FCS provides depositors of authorised deposit-taking institutions (ADIs) and claimants of general insurers (GIs) with timely access to their funds in the event of a financial institution failure.

Under the *Banking Act 1959* the Scheme provides a mechanism for making payments to depositors under the Government's guarantee of deposits in ADIs. Payments are capped at \$250,000 per account holder per ADI, with the aggregate amount of payments covered under the Scheme estimated to be \$1.46 trillion as at 31 December 2025.

Under the *Insurance Act 1973* the Scheme provides a mechanism for making payments to eligible beneficiaries with a valid claim against a failed GI. It is not possible to estimate these potential claims.

In the very unlikely event of an ADI or GI failure, any payments made under the FCS would be recovered through the liquidation of the failed institution. If there was a shortfall in the amount recovered through the liquidation of the failed institution, a levy could be applied to the relevant industry to recover the difference between the amount expended and the amount recovered in the liquidation.

Under the FCS, payments to account-holders with protected accounts or eligible claimants would be made from APRA's FCS Special Account. Under the legislation, initial amounts available to meet payments, in the event of activation, are up to \$20 billion per institution and up to \$100 million for administration.

It is not possible to estimate the amounts of the eventual payments that may be required in relation to either the ADI FCS or GI FCS and as such no amount is included in this note.

7.3 Financial instruments

	Notes	2026 \$'000	2025 \$'000
7.3A: Categories of financial instruments			
Financial assets measured at amortised cost			
Cash and cash equivalents	3.1A	122,429	118,670
Trade receivables	3.1B	21	4,057
Other receivables ¹	3.1B	4,715	305
Total financial assets at amortised cost		127,165	123,032

¹Other receivables primarily relate to charges for the assessment of applications and the ongoing supervision of ADIs under the models-based approach - Basel Framework, for which invoicing will occur in the subsequent financial year.

Financial liabilities

Financial liabilities measured at amortised cost

Trade creditors and accruals	3.3A	6,577	5,086
Total financial liabilities at amortised cost		6,577	5,086

7.3B: Net gains or losses on financial assets

There were no net gains or losses on financial assets during the current or previous period.

7.3C: Net gains or losses on financial liabilities

There were no net gains or losses on financial liabilities during the current or previous period.

Accounting policy

Financial assets

In accordance with *AASB 9 Financial Instruments*, APRA classifies its financial assets in the following categories:

- a) financial assets at fair value through other comprehensive income; and
- b) financial assets measured at amortised cost.

The classification depends on both APRA's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when APRA becomes a party to a contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Financial assets at amortised cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective interest method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period based on expected credit losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial liabilities at amortised cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

7.4 Administered financial instruments

	2026 \$'000	2025 \$'000		
7.4A: Categories of financial instruments				
Financial assets at amortised cost				
Other receivables	2,000	2,000		
Total financial assets at amortised cost	2,000	2,000		
Financial liabilities				
Financial liabilities measured at amortised cost				
Trade creditors and accruals	2,000	2,000		
Total financial liabilities measured at amortised cost	2,000	2,000		
7.4B: Net gains or losses on financial assets				
There were no net gains or losses on financial assets during the current or previous period.				
7.4C: Net gains or losses on financial liabilities				
There were no net gains or losses on financial liabilities during the current or previous period.				
7.4D: Fair value of financial instruments				
	Carrying amount 2026 \$'000	Fair value 2026 \$'000	Carrying amount 2025 \$'000	Fair value 2025 \$'000
Financial assets				
Other receivables	2,000	2,104	2,000	2,064
Total financial assets	2,000	2,104	2,000	2,064
Financial Liabilities				
Trade creditors and accruals	2,000	2,104	2,000	2,064
Total financial liabilities	2,000	2,104	2,000	2,064

8.1 Current/non-current distinction for assets and liabilities

8.1A : Current/non-current distinction for assets and liabilities

	2026 \$'000	2025 \$'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	122,429	118,670
Trade and other receivables	6,609	4,999
Prepayments	5,470	6,058
Total no more than 12 months	134,508	129,727
More than 12 months		
Property, plant and equipment	59,278	67,806
Intangibles	20,640	27,608
Prepayments	471	839
Total more than 12 months	80,389	96,253
Total assets	214,897	225,980
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	6,577	5,086
Other payables	6,910	5,870
Leases	4,129	5,758
Employee provisions	18,079	16,708
Other provisions	95	216
Total no more than 12 months	35,790	33,638
More than 12 months		
Leases	40,046	44,810
Employee provisions	30,410	29,123
Total more than 12 months	70,456	73,933
Total liabilities	106,246	107,571

8.1B : Administered - current/non-current distinction for assets and liabilities

	2026 \$'000	2025 \$'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	-	-
Receivables	1,156	183
Total no more than 12 months	1,156	183
More than 12 months		
Cash and cash equivalents	-	-
Receivables	197	197
Lloyds Security Deposit (held in trust)	2,000	2,000
Total more than 12 months	2,197	2,197
Total assets	3,353	2,380
Liabilities expected to be settled in:		
More than 12 months		
Lloyds Security Deposit (held in trust)	2,000	2,000
Total more than 12 months	2,000	2,000

List of requirements

PGPA Rule Reference	Part of Report	Description	Requirement
17AD(g)	Letter of transmittal		
17AI	Page 3	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report	Mandatory
17AD(h)	Aids to access		
17AJ(a)	Page 4	Table of contents	Mandatory
17AJ(b)	Page 130	Alphabetical index	Mandatory
17AJ(c)	Page 5	Glossary of abbreviations and acronyms	Mandatory
17AJ(d)	Page 123	List of requirements	Mandatory
17AJ(e)	Page 133	Details of contact officer	Mandatory
17AJ(f)	Page 133	Entity's website address	Mandatory
17AJ(g)	Page 133	Electronic address of report	Mandatory
17AD(a)	Review by accountable authority		
17AD(a)	Pages 6 - 11	A review by the accountable authority of the entity	Mandatory
17AD(b)	Overview of the entity		
17AE(1)(a)(i)	Chapter 1	A description of the role and functions of the entity	Mandatory
17AE(1)(a)(ii)	Chapter 1	A description of the organisational structure of the entity	Mandatory
17AE(1)(a)(iii)	Chapter 2	A description of the outcomes and programmes administered by the entity	Mandatory
17AE(1)(a)(iv)	Chapter 2	A description of the purposes of the entity as included in corporate plan	Mandatory
17AE(1)(aa)(i)	Chapter 3	Name of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(ii)	Chapter 3	Position title of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(iii)	Chapter 1	Period as the accountable authority or member of the accountable authority within the reporting period	Mandatory
17AE(1)(b)	N/A	An outline of the structure of the portfolio of the entity	Portfolio departments - mandatory
17AE(2)	N/A	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change	If applicable, mandatory
17AD(c)	Report on the Performance of the entity		
	Annual Performance Statements		
17AD(c)(i) 16F	Chapter 2	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule	Mandatory
17AD(c)(ii)	Report on Financial Performance		

PGPA Rule Reference	Part of Report	Description	Requirement
17AF(1)(a)	Chapter 3, 4, 5	A discussion and analysis of the entity's financial performance	Mandatory
17AF(1)(b)	Chapter 4	A table summarising the total resources and total payments of the entity	Mandatory
17AF(2)	N/A	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results	If applicable, mandatory.
17AD(d)	Management and Accountability		
	Corporate Governance		
17AG(2)(a)	Chapter 3	Information on compliance with section 10 (fraud systems)	Mandatory
17AG(2)(b)(i)	Chapter 4	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared	Mandatory
17AG(2)(b)(ii)	Chapter 4	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place	Mandatory
17AG(2)(b)(iii)	Chapter 4	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity	Mandatory
17AG(2)(c)	Chapter 3	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance	Mandatory
17AG(2)(d) – (e)	Chapter 4	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance	If applicable, mandatory
	Audit Committee		
17AG(2A)(a)	Chapter 3	A direct electronic address of the charter determining the functions of the entity's audit committee	Mandatory
17AG(2A)(b)	Chapter 3	The name of each member of the entity's audit committee.	Mandatory
17AG(2A)(c)	Chapter 3	The qualifications, knowledge, skills or experience of each member of the entity's audit committee	Mandatory
17AG(2A)(d)	Chapter 3	Information about the attendance of each member of the entity's audit committee at committee meetings	Mandatory
17AG(2A)(e)	Chapter 3	The remuneration of each member of the entity's audit committee	Mandatory
	External Scrutiny		
17AG(3)	Pages 4 - 7, Chapter 2, 4	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny	Mandatory
17AG(3)(a)	Chapter 3	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity	If applicable, mandatory
17AG(3)(b)	Chapter 4	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman	If applicable, mandatory
17AG(3)(c)	Chapter 4	Information on any capability reviews on the entity that were released during the period	If applicable, mandatory
	Management of Human Resources		

PGPA Rule Reference	Part of Report	Description	Requirement
17AG(4)(a)	Chapter 3	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives	Mandatory
17AG(4)(aa)	Chapter 3	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender; (d) statistics on staff location.	Mandatory
17AG(4)(b)	Chapter 3	Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: ☐ Statistics on staffing classification level; ☐ Statistics on full-time employees; ☐ Statistics on part-time employees; ☐ Statistics on gender; ☐ Statistics on staff location; ☐ Statistics on employees who identify as Indigenous.	Mandatory
17AG(4)(c)	Chapter 3	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i>	Mandatory
17AG(4)(c)(i)	Chapter 3	Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c).\	Mandatory
17AG(4)(c)(ii)	Chapter 3	The salary ranges available for APS employees by classification level	Mandatory
17AG(4)(c)(iii)	Chapter 3	A description of non-salary benefits provided to employees	Mandatory
17AG(4)(d)(i)	N/A	Information on the number of employees at each classification level who received performance pay	If applicable, mandatory
17AG(4)(d)(ii)	N/A	Information on aggregate amounts of performance pay at each classification level	If applicable, mandatory
17AG(4)(d)(iii)	N/A	Information on the average amount of performance payment, and range of such payments, at each classification level	If applicable, mandatory
17AG(4)(d)(iv)	N/A	Information on aggregate amount of performance payments	If applicable, mandatory
	Assets Management		
17AG(5)	N/A	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, mandatory
	Purchasing		
17AG(6)	Chapter 3	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i>	Mandatory
	Reportable consultancy contracts		
17AG(7)(a)	Chapter 3	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST)	Mandatory
17AG(7)(b)	Chapter 3	A statement that " <i>During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]</i> ".	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17AG(7)(c)	Chapter 3	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged	Mandatory
17AG(7)(d)	Chapter 3	A statement that “ <i>Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.</i> ”	Mandatory
Reportable non-consultancy contracts			
17AG(7A)(a)	Chapter 3	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST)	Mandatory
17AG(7A)(b)	Chapter 3	A statement that “ <i>Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.</i> ”	Mandatory
17AD(daa)	Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts		
17AGA	Chapter 3	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts	Mandatory
Australian National Audit Office Access Clauses			
17AG(8)	N/A	If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor’s premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract	If applicable, mandatory
Exempt contracts			
17AG(9)	N/A	If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters	If applicable, mandatory
Small business			
17AG(10)(a)	Chapter 3	A statement that “[<i>Name of entity</i>] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance’s website.”	Mandatory
17AG(10)(b)	Chapter 3	An outline of the ways in which the procurement practices of the entity support small and medium enterprises	Mandatory
17AG(10)(c)	N/A	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that “[<i>Name of entity</i>] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website.”	If applicable, mandatory
Financial Statements			

PGPA Rule Reference	Part of Report	Description	Requirement
17AD(e)	Chapter 5	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act	Mandatory
	Executive Remuneration		
17AD(da)	Chapter 3	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule	Mandatory
17AD(f)	Other Mandatory Information		
17AH(1)(a)(i)	N/A	If the entity conducted advertising campaigns, a statement that <i>"During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website."</i>	If applicable, mandatory
17AH(1)(a)(ii)	Chapter 3	If the entity did not conduct advertising campaigns, a statement to that effect	If applicable, mandatory
17AH(1)(b)	Chapter 4	A statement that <i>"Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website]."</i>	If applicable, mandatory
17AH(1)(c)	Chapter 3	Outline of mechanisms of disability reporting, including reference to website for further information	Mandatory
17AH(1)(d)	Chapter 4	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory
17AH(1)(e)	N/A	Correction of material errors in previous annual report	If applicable, mandatory
17AH(2)	Chapter 4	Information required by other legislation	Mandatory

Commonwealth Climate Disclosure Index

Core Requirement	Overview	Disclosed
Commonwealth Climate Disclosure Requirements (CCD) Year 2 Reporting Provisions	The CCD Year 2 Core Requirements set out the climate-related reporting provisions for entities and focus on four key disclosure areas: Governance: How APRA oversees climate-related risks and opportunities. Strategy: APRA's approach to managing climate-related risks and opportunities. Risk Management: How climate risks and opportunities are identified, assessed, managed and monitored. Metrics and Targets: APRA's climate-related performance, emissions, targets and progress.	Commonwealth Climate Disclosure, Chapter 4

Index

A

Accessibility, 33, 52-53

Accountable authority, 12, 17, 81-83

Advertising and market research, 62

Agency resources, 77

APRA Connect, 32, 36

APRA Members, 12, 40, 43-45, 47-49, 114

APRA's purpose, 11

APS Net Zero 2030, 71-72, 75-76

Artificial Intelligence (AI), 5, 23, 33-34, 40

Audit and Risk Committee, 38, 43, 45-47, 74

Australian National Audit Office, 40, 46, 73, 81-82, 96

Australian Prudential Regulation Authority Act 1998, (APRA Act) 11-12, 54, 68, 111

Australian Securities and Investments Commission (ASIC), 15, 23, 29-30, 34, 37, 39-41

Australian Taxation Office (ATO), 15, 37, 61, 99, 103

Authorised deposit-taking institutions (ADIs), 11, 15, 21, 44, 61, 66, 98, 112, 117-118

B

Banking Act 1959, 11, 68-69, 111, 117

Banking Industry Country Risk Assessment, 27

Banks, 4-6, 11, 15, 19-20, 22, 26, 28-29, 31

Basel Framework, 112, 118

Basel Committee on Banking Supervision, 34, 37, 44

Board governance, 5

C

Capability reviews, 73

Capital, 5-6, 19, 21-22, 24, 26, 28-29, 112

Climate-related risks, 7, 22, 34, 49, 74-75, 126

Collaboration, 21, 23, 33-35, 37-41

Commonwealth Climate Disclosure, 74, 126

Commonwealth Fraud and Corruption Control, 68, 72

Commonwealth Ombudsman, 73

Commonwealth procurement rules, 63

Commonwealth Superannuation Scheme, 113, 115

Competition, 4-6, 11, 29-31

Consultancies, 64-65

Contestability, 11, 31

Contingency Enforcement Fund, 62, 85-88

Corporate Plan, 17-18, 28, 47, 50-51, 65

Council of Financial Regulators (CFR), 21, 30, 33-34, 37, 41, 43-44

Court enforceable undertaking, 24

CPS 190 Recovery and Exit Planning, 20

CPS 230 Operational Risk Management, 5, 20

Crisis preparedness, 20, 39, 41

Crisis simulation, 21

Cyber resilience, 4-5, 7, 23

Cyber security, 32

D

Data collection(s), 11, 15, 32, 36, 96

Development, 4-5, 11, 21, 30, 32-33, 39, 48, 50-51

Disability, 52-53

Diversity, 48, 50-52, 72

E

Emissions reporting, 71-72, 74, 76

Employee statistics, 56-60

Enforcement (see also Contingency Enforcement Fund), 6, 14, 19, 23-25, 34, 40-41, 48, 61, 91, 93, 98

Environment Protection and Biodiversity Conservation Act 1999, 68, 70, 75

Equal Employment Opportunity (Commonwealth Authorities) Act 1987, 68, 72

Executive Board, APRA, 43-45, 47-49, 52, 74

Executives' Meeting of East-Asia Pacific Central Banks (EMEAP), 34, 38

Executive remuneration, 54, 58-60

External scrutiny, 31

F

Financial Accountability Regime, 5, 24, 30, 40, 66, 68

Financial Claims Scheme (FCS), 11, 14, 68-69, 93, 106, 110, 117

Financial Institutions Supervisory Levies Collection Act 1998, 61, 98

Financial Regulator Assessment Authority, 40

Financial resilience, 19

Financial resources, 61

Financial Sector (Collection of Data) Act 2001, 11, 68

Financial Sector Assessment Program, 34

Financial stability, 6, 21, 23, 34, 37-39, 43, 94

Financial Stability Board (FSB), 34, 38

Financial statements, 38, 47, 73, 79-121

Fraud and corruption, 65, 68, 72

Freedom of Information Act 1982, 68, 70

Friendly societies, 11, 15, 98

G

Gender diversity, 52

General insurance, 25, 41, 45, 66

General insurer(s), 11, 15, 22, 25, 61, 69, 98, 117

Geopolitical risk, 4, 21, 41

Governance, 5-6, 12, 17, 23-24, 30, 40-43, 46-48, 111

Governance committees, 43, 47-48, 61, 65, 68, 73-75, 81, 83, 94, 109

Graduate program, 51

H

Human resources, 50

Hybrid working, 51, 53

I

Inclusion and diversity, 51, 72

Inclusion and Diversity Council (IDC), 48

Indigenous Procurement Policy, 63

Innovation, 5, 11, 30, 35, 50

Insurance Act 1973, 11, 66, 68-69, 107, 109, 111, 117

Insurance Climate Vulnerability Assessment, 22

Integrity Review Group, 49

International Monetary Fund, 34-35

International Association of Insurance Supervisors (IAIS), 34, 38, 45

International Organisation of Pension Supervisors (IOPS), 34, 39, 44

J

Judicial decisions, 66

L

Leadership, 33-34, 48, 50, 51, 52

Learning and development, 50-51

Licensing, 6, 11, 14, 25, 28

Life insurance, 41, 45, 66

Life Insurance Act 1995, 11, 66, 68, 69

Life insurers, 11, 15, 28, 98

Liquidity, 4, 6, 19, 22, 24, 44, 117

M

Macroprudential policy, 21

Management Committee (MCo), 48, 74

Member outcomes, 4, 23, 27

Money Protection Ratio, 26-27

MySuper, 27

N

Net Zero 2030, 71-72, 75-76

New entrants, 25, 28

Non-financial risk, 5, 24

Non-operating holding companies, 15, 61

O

Office of Impact Analysis, 65

Organisation structure, 12

Organisation chart, 13

Organisational effectiveness, 32, 33, 36

Operational resilience, 19, 20, 23, 41, 75

Operational risk, 4-5, 20, 24

Orderly exit(s), 11, 14, 20, 25

P

Parliamentary committees, 49

Payments system, 38

Performance test, 23, 27

Privacy Act, 1988, 73

Private health insurance, 11, 45, 61-62, 91, 97-98, 111

Private health insurers, 11, 15, 61, 98, 111

Procurement, 63, 74-76

Productivity, 5, 28, 30, 33, 35, 49-51

Proportionality, 5-6, 17, 19, 28-29, 31

Proportionate, 14, 19, 28, 30, 33

Prudential standard(s), 5, 14, 19-20, 36, 65, 94

Public Governance, Performance and Accountability Act 2013 (PGPA Act), 12, 17, 68, 74, 81, 83, 94, 108-109, 111

Q

Qualitative assessment, 26, 31

R

Recovery and exit planning, 20

Regulatory balance, 5, 16, 28, 31

Regulatory burden, 5-6, 17, 31, 34, 40-41

Regulatory stewardship, 30

Remuneration, 33, 47, 50, 52, 54, 58-60, 111, 113-114

Reserve Bank of Australia, (RBA), 30, 34, 37, 39, 112-113

Resolution, 14, 20, 28, 43, 48

Responsible Minister, 49

Retirement Reporting Framework, 6, 24

Risk culture, 24

Risk equalisation, 62, 91, 93, 97-98, 110-111

Risk management, 5-6, 19-24, 28-29, 45-46, 53-54, 74

S

Service Charter, 36

SPS 114 Operational Risk Financial Requirement, 20

Stored Value Facilities (SVF), 30

Stress testing, 4, 6, 22, 26

Superannuation, 4-7, 10-11, 14-15, 19-20, 22-24, 26-29, 35, 40-41, 44-45, 49, 54, 58-61, 66, 68, 84, 91, 95, 98, 106, 109, 113, 115

Registrable Superannuation Entity (RSE), 11, 41

Superannuation Industry (Supervision) Act 1993 (SIS Act), 11, 66, 68-70, 109

Trustees, 4, 19-20, 24

Supervisory levies, 61, 91, 93, 98, 106, 112

System Risk Outlook, 4

System risk stress test, 4, 22

System-wide risks, 21

T

Talent and development, 50

Technology, 5, 32, 36, 48, 65, 75, 95

Third-party providers, 5, 20, 74

Training, 30, 32, 39, 48, 51-52, 65, 74, 95

Trans-Tasman Council on Banking Supervision (TTBC), 34, 39

Transparency, 4, 16, 23-24, 28, 31, 35, 40, 63, 64

Treasury, 30, 34, 37, 41, 43-44, 61, 98, 107

Trustee governance, 6, 41

W

Wellbeing, 48, 51, 53

Work Health and Safety (WHS), 53

Work Health and Safety Act 2011, 68

Work Health and Safety (WHS) Committee, 48, 53

WHS outcomes, 54

Workforce, 33, 50, 52, 54-55

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