GOVERNANCE INSTITUTE of AUSTRALIA

Level 7, 60 Carrington Street, Sydney, NSW, 2000
T +61 2 23 5744 **F** +61 2 9232 7174
info@governanceinstitute.com.au

2 October 2026

General Manager
Policy and Frameworks
Policy and Advice Division
Australian Prudential Regulation Authority

Via email: PolicyDevelopment@apra.gov.au

RE: Letter - Consultation on streamlining FAR administration, changes to the FAR Regulator Rules and associated regulatory guidance Consultation material

Who we are

Governance Institute of Australia (the Institute) is the only fully independent professional association dedicated to the advancement of governance and risk practice in Australia. Our internationally recognised qualifications equip a diverse professional network of business leaders to make good decisions for the benefit of Australia's economy and society. With a history dating over 100 years, Governance Institute is Australia's leading and trusted voice of governance. Our fully accredited education and training is tailored to meet the needs of governance professionals across public listed, unlisted, and private companies, as well as the public sector and not-for-profit organisations.

The Institute is committed to independent, evidence-based advocacy that is focused on strengthening the governance capability of Australian organisations. We believe that good governance is the foundation of organisational resilience, productivity, and public trust.

Comments

- **Support for proposals** - We support the changes outlined in the Consultation material. The proposals relating to the removal of the requirement to report on key functions and no longer include reporting lines in accountability maps will reduce the volume of reporting to APRA.

- **Impact on Accountability** - We do not consider the proposed changes will weaken or otherwise affect accountability and at this stage are not aware of any unintended consequences. We recognise the importance of preserving substantive accountability and consider that the proposed reforms appropriately distinguish between information necessary to establish and supervise accountability and information that provides useful organisational context but do not need to be routinely reported to the Regulators.

- **Alignment with new Governance Standard** - It would be helpful to industry that the new Prudential Standard 510 Governance aligns with the FAR and for this work to be carried out prior to introduction

of the new Governance Standard. This includes harmonising the roles under the new Governance Standard with FAR so that the new definition of Responsible Person and any definitions retained from the prior governance Standard interact with the FAR without creating overlap or ambiguity.

- **Legislative reforms** – We acknowledge the Regulators' support of the Government's legislative changes to the FAR. While the consultation paper is directed to amendments to the FAR Regulator Rules and regulatory guidance, some proposed changes may require legislative reforms to be fully implemented. We welcome the opportunity to further engage with Treasury on consultation of related changes to the legislation and would encourage APRA, ASIC and Treasury to provide indicative timing for the consultation process and implementation of reforms.

- **Notification materiality threshold** – The APRA and ASIC announcement of 16 June 2026 identified three proposed reforms, including raising the materiality threshold for notifications of changes. The current consultation addresses removal of key functions and reporting lines but does not appear to address changes to the notification materiality threshold. We would welcome clarification as to whether reform of the materiality threshold remains under consideration and, if so, the anticipated timing and process for consultation. Further clarity on the notification materiality threshold would represent a significant opportunity to reduce regulatory burden such that FAR notifications are only required where a change affects the substance of an Accountable Person's accountabilities.

- **Administrative notifications to APRA** – Anecdotal evidence from our members indicates that there is a large volume of notifications to APRA required in relation to FAR. In many cases these are administrative in nature, such as a modification to an individual's title. We support consideration of further opportunities to streamline FAR notification requirements. For certain administrative information, an annual update to the FAR register may represent a more proportionate approach while still ensuring records remain accurate and up to date. Another issue which causes repeat work is filings related to Accountable Persons, particularly in the context of groups. Where an individual becomes an Accountable Person, it is necessary to make a separate lodgement for each entity rather than being able to nominate the entities to which the filing relates.

- **APRA systems** – While our members report improvements since the introduction of APRA Connect it will be important for APRA to continue its program of systems improvement to improve data accuracy and quality and provide a more consistent reporting experience for entities.

Please contact me [redacted] if you have any questions in connection with this Submission.

Yours faithfully,

[redacted]