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Treasurer

MEDIA RELEASE

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RECORD FUNDING & RESOURCES FOR ASIC & APRA TO HELP RESTORE TRUST IN AUSTRALIA'S FINANCIAL SECTOR

The Coalition Government is providing more than \$550 million in the 2019-20 Budget to help restore trust in Australia's financial sector as part of our plan for a stronger economy and a secure and better Australia.

The Australian Securities and Investments Commission (ASIC) will be provided with more than \$400 million in additional funding, representing on average a 25 per cent increase in its annual funding compared to 2017-18.

The Australian Prudential Regulation Authority (APRA) will be provided with more than \$150 million in additional funding, representing on average a 30 per cent increase in its annual funding compared to 2017-18.

The funding for ASIC and APRA will allow them to strengthen and intensify their approach to enforcement and take on expanded responsibilities to stamp out misconduct in our financial sector.

It takes both ASIC and APRA's already record funding to even higher levels.

The additional funding for ASIC will ensure it has the resources it needs to perform its critical role in ensuring the law is adhered to in the financial sector and consumers are put first, second and third.

The ASIC funding will support:

- An accelerated enforcement strategy.
- Expanded regulation of financial services in accordance with the Royal Commission recommendations – specifically, in relation to credit, financial advice and insurance.
- Enhanced on-site supervision of larger institutions.
- ASIC's expanded role as the primary conduct regulator for superannuation.
- ASIC's new role in administering a conduct-focused accountability regime.

The funding for ASIC announced today builds on the additional \$70.1 million provided by the Coalition Government in August 2018.

The funding for APRA will strengthen and improve its capabilities so that it can perform its critical role in restoring trust in Australia's financial sector.

The APRA funding will:

- Extend the Banking Executive Accountability Regime (BEAR) to all APRA-regulated entities including insurers and superannuation funds.
- Boost supervision intensity across APRA-regulated entities, including a strong focus on underperforming superannuation funds and members outcomes.
- Enhance the supervisory framework for governance, culture and remuneration applying to all APRA-regulated entities, including through building internal technical expertise and accessing technical specialists outside of APRA, supporting APRA's response to key areas of concern raised by Commissioner Hayne.

The funding for APRA builds on \$58.7 million provided by the Coalition Government in November 2018 to increase the number of frontline supervisors and enhance APRA's ability to identify and address new and emerging risk areas.

Employing 450,000 people and representing nearly 10 per cent of our nation's GDP, a strong economy requires a strong, accountable financial sector that Australians can trust.

The Government is taking action on all 76 of Commissioner Hayne's recommendations and, in a number of important areas, going further.

Ends