

Financial Regulator Assessment Authority

Recommendation	Existing law	Summary of proposed reform
<p>Recommendation 6.14</p> <p>A new oversight authority for APRA and ASIC, independent of Government, should be established by legislation to assess the effectiveness of each regulator in discharging its functions and meeting its statutory objects.</p> <p>The Authority should be comprised of 3 part-time members and staffed by a permanent secretariat.</p> <p>It should be required to report to the Minister in respect of each regulator at least biennially.</p>	<p>N/A</p>	<p>The proposed law establishes the Financial Regulator Assessment Authority.</p> <p>Its functions will include:</p> <ul style="list-style-type: none">• regularly assessing APRA’s effectiveness and ASIC’s effectiveness and reporting to the Minister; and• undertaking capability reviews of APRA and ASIC when requested by the Minister. APRA and ASIC and their members and staff are required to cooperate with and provide information to the Authority. <p>The functions of the Authority do not include assessing or reporting on only a single case.</p> <p>The Authority must undertake its own assessments of APRA and ASIC at least once every 2 years, and the Minister must consider requesting the Authority to undertake a review of APRA and ASIC at least once every 4 years from 2021.</p> <p>The Authority has information gathering powers for this purpose, and legal professional privilege does not apply. APRA and ASIC are required to cooperate with the Authority to enable the Authority to perform its functions and exercise its powers.</p> <p>The proposed law sets out how members and staff members of the Authority are appointed or made available, and how the Authority makes decisions (including delegations).</p> <p>There will be 3 appointed part-time members (including the Chair) and an ex-officio member, being the Secretary of the Department of the Treasury (or a nominated SES employee in the Department).</p> <p>To safeguard information that APRA and ASIC provide to the Authority, the unauthorised use or disclosure of protected information provided to the Authority is prohibited, and contravention is a criminal offence).</p>