[redacted]

From: [redacted]
Sent: Thursday, 20 April 2023 5:14 PM
To: APRA Members; APRA EDs
Cc: COS - SLT; [redacted]; Regulatory Affairs; [redacted] Brandon Khoo; Clare Gibney; Karina Keisler; [redacted]
Subject: RE: For INFO | RBA Review internal APRA update [SEC=OFFICIAL]

Security Classification:
OFFICIAL

Hi all,

Further to the internal APRA update, a compilation of key points from press conferences and stakeholder responses across today have been compiled below:

Treasurer's Press Conference

- Government supports in principle all 51 recommendations and will work with RBA + other regulators to implement recommendations by 1 July 2024.
- Government will clarify in legislation the dual objectives of full employment and price stability. Legislative timeline TBA.
- TSR acknowledged that full employment is a contested concept but cited TSY's working definition of 4.25% as appropriate.
- Dr Iain Ross (former FWC President) and Ms Elana Rubin (corporate director) have been appointed to the Board.
- TSR signalled that a diversity of views was needed, especially views on the labour market. He affirmed that the "prospects for Australian workers should be front and centre."
- Updated statement of conduct of monetary policy will incorporate findings of the review and be released by the end of 2023.

RBA Governor's Press Conference

- RBA will develop a response to the recommendations and publish it later in the year.
- Conceded that current governance arrangements "fall short of contemporary expectations"
- Key benefit of new monetary policy board would be more engagement between the board and staff and greater input of research and analysis.
- Did not see a long run inconsistency between the dual objectives of full employment and price stability.
- View was that full employment was "probably in the low 4s".
- A balance needed to be struck in uplifting the RBA's communication of monetary policy decisions to enable more transparency but avoiding unnecessary "noise".
- Governor thought that there was appropriate challenge to his views at board meetings, contrary to the review's suggestions.

Stakeholder responses

There has been broad support from a range of stakeholders to the review's recommendations. The Coalition and business have expressed initial/first-pass support. The unions and welfare groups have particularly welcomed the full employment objective.

- The Coalition is supportive but the Shadow Treasurer has flagged that they have not yet seen legislation and need to "work our way through it".
- The ACTU and ACOSS have welcomed the greater focus on full employment. The ACTU has called for greater use of fiscal, not monetary policy, in combating inflation. ACOSS has called for more "community and human services" representation on the board.

- The Australian Chamber of Commerce has given support “on initial consideration” but will “carefully consider the breadth” of recommendations.
- Ai Group has urged the Government to “consult closely and broadly” as the recommendations are implemented.
- FINSIA has particularly welcomed the dual board model.

Best,

Section 22 [redacted]
Analyst
Chief of Staff Division – Regulatory Affairs
Section 22 [redacted]

AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY
1 Martin Place (Level 12), Sydney, NSW 2000
GPO Box 9836, Sydney, NSW 2001
T 02 9210 3000 | W www.apra.gov.au

From: Section 22 [redacted]
Sent: Thursday, 20 April 2023 11:35 AM
To: APRA Members <APRAMembers@apra.gov.au>; APRA EDs <APRAEDs@apra.gov.au>
Cc: COS - SLT <cos-slt@apra.gov.au>; Section 22 [redacted] Regulatory Affairs <DomesticAffairs@apra.gov.au>; Section 22 [redacted] Brandon Khoo <Brandon.Khoo@apra.gov.au>; Clare Gibney <Clare.Gibney@apra.gov.au>; Karina Keisler <Karina.Keisler@apra.gov.au>; Section 22 [redacted]
Subject: For INFO | RBA Review internal APRA update [SEC=OFFICIAL]

Good morning,

The RBA Review was released this morning; please find an internal APRA update on the review as-at 11:30am here.

Thanks
Section 22 [redacted]

Section 22 [redacted]
Policy Advisor
Chief of Staff Division - Regulatory Affairs
Section 22 [redacted]

Section 22 [redacted]