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From: [REDACTED]
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General Manager

Policy Development

Policy and Advice Division

APRA

6 June 2025

Introduction

This submission offers a perspective often absent from regulatory consultations — that of a long-term customer of multiple major Australian banks who along with many family members has suffered severe financial harm and damage due to serious and systemic governance failures.

Over the past 14 years, I have dealt with hardship being declined, offers to pay arrears refused, incorrect default notices and collection services, loan documents being lost destroyed or unreasonably withheld and uncovered patterns of misconduct, deception, and cover-up by senior banking executives.

I write not as an industry participant, but as a victim of malfeasance and an advocate for improved corporate governance, accountability, transparency, and enforcement; and as someone who seeks to introduce solutions as [REDACTED]

While APRA’s proposals reflect international trends and lessons from the Financial Services Royal Commission (FSRC), I urge the regulator not to be persuaded solely by industry voices and their lawyers that will likely resist further obligations. Rather, this consultation must be an opportunity to strengthen governance in a way that protects the public, rebuilds trust, and aligns banking practice with the public interest.

The Gap Between Governance Failures and Accountability

It is welcome that APRA acknowledges most of its enforcement actions can be traced to governance failings. However, regulation without meaningful enforcement breeds impunity. Banks that fail to meet obligations often face no real cultural or individual consequences. Fines are absorbed as “costs of doing business” and borne by shareholders — not the executives responsible or accountable for the misconduct. Even in the most egregious cases exposed at the FSRC, Boards imposed only limited and underweight consequences. But it’s not just in the rear vision mirror view of the ZFSRC it is still occurring on a widespread basis right under all our noses today This fosters a risk-tolerant, customer-disregarding culture, especially where non-financial risks are treated as second-tier.

The situation at ANZ offers a case study. APRA’s April 2025 action against ANZ — requiring a Court-Enforceable Undertaking and increasing its capital reserve penalty to \$1 billion — the third cascading penalty over six years — reflects persistent failures in risk management, governance, and cultural remediation. It’s notable that ANZ refused to publish the APRA report with this omission alone being a prime example of ANZ boards acting with impunity and arrogance. These failures spanning six years cross multiple business lines. Yet, to the public’s eye, no senior executive has resigned, no director disqualified. By the time investigations are complete, noting some independent investigations are not published, the media and the public scrutiny move on.

Additional Recommendations

1. Publish Complaint Metrics to Enable Market Comparison

Customers, the public, shareholders, politicians and regulators have no real mechanism to assess the governance quality or customer responsiveness of banks. Publishing granular, standardised complaints data in annual reports — including categories, time to resolution, proportion escalated, and regulatory referrals — would introduce public accountability. A single page list of 25 customer metrics would make annual reports more digestible. It would also foster competition between entities to improve their customer outcomes and complaints handling.

This data could be aligned with ASIC’s work on Reportable Situations and internal dispute resolution and create a single cross-regulator transparency benchmark.

2. Individual Accountability

Large institutional fines are ineffective deterrents when executives remain shielded. It’s not their money it’s shareholders. True culture change requires individual consequences — including naming and shaming, civil penalties, disqualification, and where appropriate, public referral to enforcement agencies. Regulators overseas have embraced naming and shaming for high-impact deterrence. Australia should follow suit.

Responses to APRA’s Eight Proposals

1. Skills and Capabilities

Boards must have a broad and current understanding of risk, digital systems, ethics, and customer obligations. In practice, board compositions remain heavily skewed toward financial, accounting and legal backgrounds, with minimal customer-focused expertise.

Recommendation: Require boards to include directors with lived experience or demonstrable expertise in customer-centric roles. Require directors to meet with customer advocate groups or representatives each as a minimum once a year.

2. Fitness and Propriety

The current fit and proper assessments by institutions are often superficial and self-serving. Directors and executives who presided over major breaches reappear at other entities without proper scrutiny.

Recommendation: Mandate external, independent fit and proper assessments for all new directors and executives. Require institutions to report annually on the number of individuals assessed as not meeting criteria, including reasons.

3. Conflicts Management

Conflicts are often under-acknowledged and poorly disclosed. For example, long-serving directors at multiple institutions (including ANZ) sit on remuneration and risk committees despite significant conflicts from other board appointments or prior executive roles.

Recommendation: Require full public disclosure of all external interests and conflicts, not only to APRA but also in annual reports. Require an independent audit of conflict management practices every three years.

4. Independence

Board independence must be more than nominal. Directors with repeated appointments in the same sector lack true independence. Fresh eyes from new pools of director talent are required to break up the director mates club referrals.

Recommendation: Cap total tenure at 9 years with no exceptions. Prevent prior senior executives from serving on the board of the same institution for at least 5 years post-departure.

5. Board Performance Review

In my experience engaging with bank AGMs, there is little evidence of robust, independent assessment of board effectiveness. As APRA has reported boards have inflated opinions of their own value Shareholders are routinely fobbed off with scripted answers and “noted” questions.

Recommendation: Require that all performance reviews include customer outcome metrics, complaint escalation data, and culture assessments. A summary of review findings and actions taken should be published.

6. Role Clarity

Unclear delineation of accountability is often used to deflect responsibility, particularly in misconduct cases. This was evident at the FSRC and continues today despite BEAR and FAR.

Recommendation: Require that key responsibility and decision registers are maintained and provided to APRA as well as published on company websites and in annual reports.

7. Board Committees

Recommendation: Require that committee chairs be rotated every 3 years and not be occupied by any director longer than 6 years total. For risk and audit committees, require the inclusion of at least one external, independent expert adviser.

8. Director Tenure and Board Renewal

Long tenure is a major impediment to cultural reform. Directors who have presided over scandal or long-running systemic issues should be ineligible for renewal.

Recommendation: Tenure limits should be enforceable bright lines, not aspirational guidelines.

Conclusion

APRA’s proposals will only succeed if they are backed by a regulatory culture that is proactive, fearless, and grounded in public accountability. Banks with their formidable legal resources and political access will resist these reforms, but the public expects and deserves change. Customers like myself, who have suffered due to governance failures and lack of enforcement, should not continue to bear the cost of inaction whilst executives receive all too easy million dollar bonuses. Good governance is not simply a corporate virtue to be touted— it is a necessary tangible foundation for public trust, financial resilience, and democratic integrity.

I thank APRA for the opportunity to make this submission and would welcome the chance to discuss these matters further.

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