

MEDIA RELEASE  
15 November 2024

## **Regulators collaborate to fight cost of living and strengthen financial stability**

Sydney, Australia – In a concerted effort to address emerging risks and challenges facing the Australian and New Zealand financial sectors, key financial regulators are working together to enhance the resilience of the financial system in preparation for 2025.

Speaking at “The Regulators 2024” hosted by the Financial Services Institute of Australasia (FINSIA), senior leaders from the ASIC, APRA, AUSTRAC along with the RBA and RBNZ discussed the top priorities for the sector, including the impact of cybercrime, artificial intelligence (AI), climate change, and the ongoing cost of living pressures.

As inflation and high interest rates continue to strain Australian households, ASIC Commissioner Alan Kirkland highlighted the commission’s ramped up focus on supporting consumer protections. With housing affordability and rental pressures ongoing, Mr Kirkland underscored the importance of financial institutions responding when people reach out for help.

“Higher inflation, higher interest rates, and higher rental prices have strained household budgets. While there are signs that some of these pressures may be easing, many Australians have been doing it tough - and when they have asked for help, they have not always been heard,” Mr Kirkland said.

“We are also conscious that some people see this economic environment as a business opportunity, so we are particularly interested in the emergence of business models that seek to avoid consumer credit laws, or purport to help people to manage their debts.”

The rapid rise of digital technologies has presented both opportunities and risks for Australian consumers. According to Mr Kirkland, one of ASIC’s key priorities is addressing the growing threat of cybercrime and investment scams.

With geopolitical uncertainty and potential economic downturns on the horizon, APRA Executive Board Member Therese McCarthy Hockey revealed that APRA will conduct a comprehensive system-wide stress test in the first half of 2025. The stress test will focus on the interconnectedness of Australia’s banking, superannuation, and wages systems, and how they could be affected in times of financial strain.

“Our stress test will assess how shocks to one part of the financial system may ripple through to other areas, ensuring the entire system remains robust even in challenging times,” she said.

Meanwhile, AUSTRAC CEO Brendan Thomas highlighted the agency’s commitment to disrupting financial crime by making it more difficult for criminals to profit from illicit activities. Despite progress, money laundering remains a significant issue, particularly in the banking sector.

"Money laundering continues to pose a serious risk, with criminal profits from illicit drug trade, tax evasion, illegal tobacco sales, and scams being major threats. While we're seeing strong engagement from banks, there's still work to be done with smaller institutions and non-banks to improve financial crime compliance frameworks," Mr Thomas said.

The RBA's Assistant Governor (Financial System), Dr Brad Jones, discussed the critical importance of maintaining a secure and resilient payments infrastructure. He stressed the ongoing transition of Australia's Bulk Electronic Clearing System (BECS) to modern payment rails, such as the New Payments Platform (NPP), as a key priority to safeguard the integrity of the Australian payments system.

"The orderly transition to modern payment systems is vital for ensuring the resilience of Australia's financial markets and the availability of secure, efficient payment services for Australians," Dr Jones said.

Christian Hawkesby, Deputy Governor and General Manager of Financial Stability at the Reserve Bank of New Zealand (RBNZ), also provided valuable insights into New Zealand's evolving approach to financial regulation.

Over the past five years, the RBNZ has enhanced its prudential standards, including the development of a more risk-based, proportionate regulatory framework that will include a deposit compensation scheme as a tool for managing financial stability.

"The Regulators 2024" underscored the commitment of regulators across both Australia and New Zealand to collaborate on issues that impact the financial system.

With a focus on enhancing financial resilience, tackling financial crime, and preparing for the evolving risks of AI and cyber threats, the regulators are working together to ensure a secure and stable financial future for the region.

This year's "The Regulators" was presented in collaboration with PwC Australia (Gold Sponsor), with the speaker panel moderated by Amrita Jebamoney, National Risk and Regulatory leader at PwC Australia. The panel engaged provided in-depth discussions with all the regulators, addressing the critical issues currently affecting the financial sector.

This event, which brought together key stakeholders in the Australasian financial services sector, instilled confidence in the capacity of regulators to address emerging risks and safeguard financial stability in the face of global challenges.

**END**



For further information, please contact:

Tony Zhang

0413 076 588 | [t.zhang@finsia.com](mailto:t.zhang@finsia.com)

FINSIA – the Financial Services Institute of Australasia – is the peak professional body in Australia and New Zealand for the financial services industry with over 10,000 financial services professionals in Australia and New Zealand working across the banking, institutional markets, funds management, financial advice and securities sectors.

FINSIA has a heritage of over 130 years of connecting members with industry-leading insights and influential networks, we help members to build their capabilities and advance their careers. Through strengthening the professional standing of its members FINSIA, is working to deepen consumer trust by raising standards of professionalism across the industry to deliver better outcomes for the community.