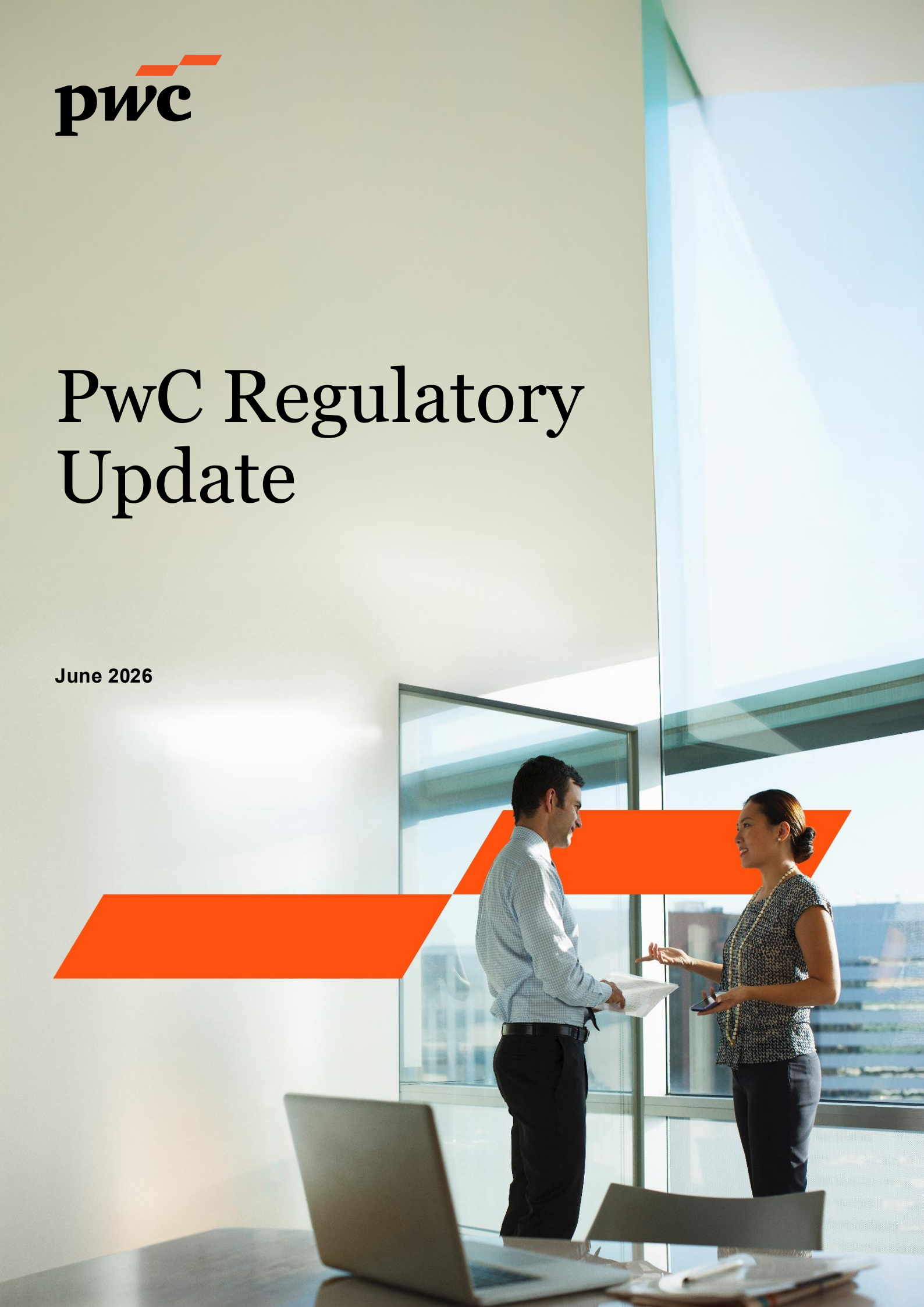




# PwC Regulatory Update

June 2026





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# Regulatory Update Summary

## June 2026

### Legislative/ Government developments



#### Australian Government – Treasury

- Meeting communiqué: Housing, Homelessness, Planning and Building Ministers' Meeting, May 2026
- Address to the Australian Business Economists

### Regulatory developments



#### ASIC – Australian Securities and Investments Commission

- Federal Court orders Westpac to pay \$26 million penalty for hardship failures
- Australia well-placed to unlock opportunities from innovation in the financial system
- ASIC continues to ease regulatory burden
- ASIC sets financial reporting, audit and sustainability focus areas for FY 2026–27

#### APRA - Australian Prudential Regulation Authority

- APRA releases quarterly insurance statistics for March 2026
- APRA releases superannuation statistics for March 2026
- APRA and ASIC host life insurance CEO roundtable – April 2026
- APRA consults on changes to the National Claims and Policies Database

#### AUSTRAC - Australian Transaction Reports and Analysis Centre

- AUSTRAC releases updated risk snapshot of Australia's financial crime landscape
- Federal Court imposes penalties after businesses fail to pay AUSTRAC infringement notices

### Industry bodies



#### ABA – Australian Banking Association

- ABA Statement on Scam Prevention Framework
- ABA welcomes Budget productivity focus

### Overseas developments



#### Global

- Building resilience in an uncertain world

#### Europe

- Financial stability vulnerabilities remain elevated as geoeconomic shock unfolds

### Publications



#### PwC Australia

- Preparing for the vulnerability onslaught: Build on what you can trust

01

# Legislative/ Government developments





## Legislative/ Government developments

### **Meeting communiqué: Housing, Homelessness, Planning and Building Ministers' Meeting, May 2026**

In May 2026, Commonwealth, State, and Territory Ministers held Australia's first joint meeting to address housing supply and affordability. They committed to a coordinated approach supporting first home buyers, renters, and social housing, while boosting construction productivity and reducing costs. Key initiatives include the Homes for Australia plan and a \$2 billion Local Infrastructure Fund to support up to 65,000 new homes. Ministers discussed reforms for faster approvals, land availability, and a simplified construction code, alongside challenges like supply chain disruptions. Shared priorities for 2026-2027 were set, with ongoing collaboration planned to improve national housing outcomes.

**Source:** [Treasury](#)

### **Address to the Australian Business Economists**

In a post-Budget address, Treasury highlighted Australia's economic resilience in 2026 despite global shocks like the Middle East conflict driving inflation. The 2026-27 Budget focuses on fiscal sustainability, reducing deficits and debt, managing ageing population costs, and boosting productivity. Key tax reforms target capital gains tax, negative gearing, and trusts to improve equity and economic efficiency, while supporting labour income and small businesses. The reforms aim to increase home ownership and enhance tax fairness. Ongoing monitoring and adaptive policies will help safeguard Australia's economy amid continuing uncertainty.

**Source:** [Treasury](#)

02

What have  
the regulators  
been up to?





## What have the regulators been up to?

### ASIC – Australian Securities and Investment Commission

#### **Federal Court orders Westpac to pay \$26 million penalty for hardship failures**

Westpac has been ordered by the Federal Court to pay a \$26 million penalty for failing to respond to over 200 customer financial hardship requests from 2017 to 2023 within legally required timeframes. The court found these failures were grossly negligent due to inadequate systems, causing significant harm including adverse credit listings and debt collection actions.

ASIC emphasised the need for lenders to better support vulnerable customers facing hardships such as illness or job loss. Westpac admitted to contraventions and paid \$1.7 million in remediation. This penalty follows similar actions against other major lenders for hardship response failures, highlighting the importance of fair and timely hardship management.

**Source: ASIC**

## **Australia well-placed to unlock opportunities from innovation in the financial system**

ASIC's research highlights Australia's strong position in fintech and regtech innovation, with AI integration and leadership in payments and buy now pay later sectors. Emphasizing industry-regulator collaboration, ASIC supports responsible innovation through initiatives like the Innovation Hub and Regulatory Sandbox while striving to reduce red tape. Growing venture capital investment underpins efforts to boost productivity, market integrity, and consumer outcomes, ensuring Australia's financial system remains competitive and future-ready.

**Source:** [ASIC](#)

## **ASIC continues to ease regulatory burden**

ASIC is simplifying regulation by enhancing digital services, streamlining its website, and clarifying guidance. Following feedback, ASIC updated numerous form pages, modernised electronic lodgement, reducing paper filings by 45,000 annually and developed sector-based regulatory roadmaps.

Collaboration with APRA aims to reduce regulatory data collection burdens. Upcoming efforts focus on expanding digital transactions, improving registers, and consolidating data requests to support law reform and productivity. ASIC aims to balance clearer regulation with strong protections, promoting compliance, innovation, and trust in Australia's financial system.

**Source:** [ASIC](#)

## **ASIC sets financial reporting, audit and sustainability focus areas for FY 2026–27**

ASIC has outlined its 2026-27 focus on financial reporting, audit quality, and sustainability reporting to enhance market transparency. Key areas include monitoring complex financial judgments, reviewing reports from listed companies, superannuation entities, and investment schemes, and assessing disclosures on decommissioning costs. Audit efforts will cover 25 files, targeting risks flagged by corrections, independence issues, or random selection.

ASIC will track audit firms' remedial actions and firm-wide compliance improvements. Sustainability reporting support continues with updated guidance, relief measures, and stakeholder engagement. ASIC will participate in upcoming Government consultations on reducing reporting burdens while maintaining core requirements to uphold market integrity and informed investor decisions.

**Source:** [ASIC](#)



## APRA - Australian Prudential Regulation Authority

### **APRA releases quarterly insurance statistics for March 2026**

APRA has published its quarterly insurance industry aggregate statistics for the March 2026 quarter. The reports cover general insurance, life insurance, and private health insurance performance, along with additional private health insurance statistics. These publications provide updated data and insights and are accessible on the APRA website.

**Source:** [APRA](#)

### **APRA releases superannuation statistics for March 2026**

APRA's Quarterly Superannuation Performance report for March 2026 shows the industry assets rose 7.9% year-on-year to \$4.44 trillion, with APRA-regulated funds accounting for \$3.1 trillion. Self-managed super fund assets grew 7% to \$1.06 trillion. Despite this yearly growth, total super assets fell 1% over the March quarter. Contributions increased by 11.3% to \$226.1 billion, driven by employer contributions (up 8.4% to \$159.8 billion) and member contributions (up 19.1% to \$66.3 billion). Benefit payments climbed 12.3% to \$143.5 billion due to lump sum payments and pension payments rising 13.6% and 10.7% respectively. Net contribution flows for entities with more than six members grew 9.6% to \$74.5 billion. The full report is available on APRA's website.

**Source:** [APRA](#)

## **APRA and ASIC host life insurance CEO roundtable – April 2026**

APRA and ASIC published public notes from a life insurance CEO roundtable held on 15 April 2026, hosted by APRA Member Suzanne Smith and ASIC Commissioner Alan Kirkland. The event brought together 19 life insurance CEOs, executives, Treasury officials, and the Council of Australian Life Insurers to address growing sustainability pressures in total and permanent disability (TPD) insurance. There was broad consensus that TPD faces significant, persistent challenges, with deteriorating claims experience across both group and retail markets driven largely by the rising incidence and complexity of mental health-related claims, thus, reducing premium affordability for consumers and increasing financial volatility for insurers. Discussions centred on three areas: product design, where participants explored "future fit" products reflecting recovery pathways, episodic capacity and evolving work patterns, with regulators urging insurers not to delay action within their control despite legislative constraints; the group market, where superannuation trustees were recognised as critical to member outcomes and regulators encouraged proactive insurer–trustee engagement; and the retail market, where new product uptake remains low and questions were raised about appropriate pricing, prompting APRA to emphasise robust reserving and pricing practices and ASIC to stress compliant claims handling. APRA and ASIC welcomed the constructive engagement and reaffirmed their commitment to supporting industry efforts with consumers' needs in mind while urging insurers to take decisive action and consistently apply sound insurance risk management practices.

**Source:** [APRA](#)

## **APRA consults on changes to the National Claims and Policies Database**

APRA has initiated a consultation on replacing its non-confidentiality determination, which underpins the publication of aggregated statistics from the National Claims and Policies Database (NCPD). The proposal includes updated guidelines and a new publication format for NCPD data. APRA invites written submissions on these changes by 16 June 2026. The consultation details and submission instructions are available on the APRA website.

**Source:** [APRA](#)

## AUSTRAC - Australian Transaction Reports and Analysis Centre

### **AUSTRAC releases updated risk snapshot of Australia's financial crime landscape**

AUSTRAC's latest updates reveal that Australia's financial crime risks including money laundering, terrorism, and proliferation financing are growing more complex due to technology, globalisation, and blurred lines between legal and illicit activity. Criminals increasingly exploit digital tools, such as artificial intelligence and virtual assets, to fabricate identities and automate laundering processes. These risks are further enabled by professional facilitators, lawful financial services, and corporate structures, often concealed within everyday transactions. AUSTRAC emphasizes the need for timely, coordinated vigilance by industry and government, supporting annual dynamic risk assessments to track evolving threats. These updates underpin upcoming AML/CTF reforms, aiming to maintain robust risk management and align with global standards.

**Source:** [AUSTRAC](#)

### **Federal Court imposes penalties after businesses fail to pay AUSTRAC infringement notices**

The Federal Court of Australia has fined Castra Licensee Pty Ltd \$50,000 and Princeton Securities (NSW) Pty Ltd \$45,000, plus legal costs, after both companies failed to pay AUSTRAC-issued infringement notices for breaches of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006. Despite warnings and the original infringement fines of \$18,780, the companies did not comply, leading AUSTRAC to initiate civil proceedings. Castra and Princeton admitted liability, and their cooperation influenced the penalties imposed. AUSTRAC's CEO emphasized that infringement notices are essential enforcement tools, warning that failure to respond can result in costly legal outcomes. The case highlights the importance of meeting mandatory reporting obligations and promptly addressing regulatory notices to avoid substantial penalties.

**Source:** [AUSTRAC](#)

03

Industry  
bodies





## Industry bodies

### ABA – Australian Banking Association

#### **ABA Statement on Scam Prevention Framework**

The Australian Banking Association (ABA) supports new measures introduced under the Scam Prevention Framework (SPF), which include draft industry codes, rules, and a government discussion paper. ABA CEO Simon Birmingham emphasises that preventing scam losses; especially high-value losses that affect individuals' is the SPF's primary goal. The SPF builds on existing protections like Confirmation of Payee and flagging high-risk payments, and introduces obligations for all sectors to identify their customers, closing gaps in scam prevention. The ABA urges the government to extend the SPF to cover dating apps and crypto platforms for comprehensive protection. Additionally, the ABA welcomes the 2026 Federal Budget's focus on productivity, sustainable fiscal policy, and reforms aimed at improving financial services and cost-of-living relief. Banks remain committed to working with the government to make Australia less attractive to scammers and drive down financial losses.

**Source:** [ABA](#)

## **ABA welcomes Budget productivity focus**

The Australian Banking Association (ABA) welcomes the 2026 Federal Budget, highlighting its focus on productivity reforms and regulatory changes to boost the financial services sector and overall economy. ABA supports ongoing fiscal discipline to reduce deficits, which can help lower inflation and interest rates. Key measures include raising the covered bond issuance cap, benefitting small and medium-sized banks by improving their access to capital markets and enhancing competition. The ABA also supports moves to share ATO data securely, streamlining loan applications and reducing fraud. The government's broader productivity package, aiming to cut regulatory costs and promote innovation, is encouraging, but ABA urges continued and ambitious reform, including a 25% reduction in regulatory costs by 2030. The ABA also acknowledges steps toward scam prevention, emphasizing the need for strong frameworks to protect consumers. Overall, the budget is seen as a positive first step toward long-term economic growth and cost-of-living relief.

**Source: ABA**

04

# Overseas developments





# Overseas developments

## Global

### **Building resilience in an uncertain world**

John Schindler's keynote at Insurance Europe's 16th International Conference underscores the crucial role of resilience in the financial and insurance sectors amid ongoing geopolitical and economic shifts, such as the Iran conflict and volatile energy prices. Key vulnerabilities include overvalued asset prices, sovereign debt risks amplified by leveraged trading, and the expanding, untested private credit market. Insurers, significant investors in sovereign debt and private credit, must ensure robust risk management to maintain their stabilising influence, especially as data and transparency gaps persist. The insurance sector faces additional challenges from climate change and demographic shifts, requiring innovative solutions and effective risk modelling. The FSB is advancing oversight, including new guidance for insurer recovery and resolution planning, and transitioning to the IAIS's holistic framework for systemic risk assessment. Collaboration, vigilance, and innovation across sectors are vital for maintaining financial stability and supporting sustainable economic growth.

**Source:** [FSB](#)



## Europe

### **Financial stability vulnerabilities remain elevated as geoeconomic shock unfolds**

The European Central Bank's May 2026 Financial Stability Review warns that the war in the Middle East has triggered a major supply shock, posing upside risks to inflation and downside risks to growth. ECB Vice-President Luis de Guindos cautioned that the disruption could heighten market volatility and strain debt servicing as financing costs rise amid weaker economic conditions. While the global financial system entered 2026 with notable resilience, this is now being tested by acute geoeconomic stress, compounded by trade uncertainty, fiscal pressures, and rising cybersecurity and hybrid threats. Despite initial market adjustments proving short-lived, equity valuations remain stretched and corporate bond spreads compressed, leaving pricing vulnerable to a deterioration in sentiment. Fiscal expansion may further strain highly indebted sovereigns.

Non-banks remain broadly resilient but face risks from low liquidity buffers, high valuations, and concentrated exposures, with opaque private markets warranting close monitoring—particularly for spillovers from the US. Euro area banks are well-capitalised, though reliance on non-bank funding and exposure to trade-, energy- and interest rate-sensitive firms present credit, liquidity and funding risks.

The ECB urges authorities to maintain capital buffers and borrower-based measures, address non-bank vulnerabilities, and advance the EU's savings and investments union.

**Source:** [EBA](#)

05

PwC  
Publications





# PwC Publications

## **Preparing for the vulnerability onslaught: Build on what you can trust**

Enterprise technology was not designed to manage AI-enabled vulnerability discovery at machine speed and scale. Frontier AI models can now identify and exploit software flaws faster and at greater complexity than manual research, meaning the volume of known, exploitable vulnerabilities is set to surge beyond what traditional patch cycles—and stretched security teams—can absorb. Rather than replacing trusted, hard-won security investments, PwC advocates extending existing programmes to operate at this new tempo.

PwC is deploying AI-enabled cyber defence capabilities powered by Anthropic's Claude Opus 4.7. These integrate directly into clients' current security environments through Model Context Protocol and API connections. The approach addresses two core constraints. The first is remediation: translating a flood of findings into coordinated action without manual orchestration of every step. The second is validation: proving each fix achieved its intended objective, without disrupting the business, before changes reach production.

The approach includes agentic remediation across existing tooling, automated test-case generation, and pre-production validation. Critically, PwC's "autonomy envelope" sets decision boundaries and audit trails, allowing defensive agents to act on routine tasks while humans retain oversight of scope, escalation, and policy.

For risk and security leaders, the benefits include strengthening defences without duplicating investments, faster adoption through familiar integration points, and demonstrable adherence to evolving standards of care.

**See: [Publication](#)**

06

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# Thank you

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