

Proposed Financial Institutions Supervisory Levies for 2025-26

Discussion paper

March 2025

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Director  
Media and Speeches Unit  
The Treasury  
Langton Crescent   
Parkes ACT 2600  
Email: [media@treasury.gov.au](mailto:media@treasury.gov.au)

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# Consultation Process

## Request for feedback and comments

Closing date for submissions: 25 April 2025

|  |  |
| --- | --- |
| Email | [Supervisorylevies@treasury.gov.au](mailto:Supervisorylevies@treasury.gov.au) |
| Mail | Director  Regulator Engagement and Powers Unit  The Treasury  Langton Crescent  PARKES ACT 2600 |
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# Introduction

The purpose of this paper is to seek industry views on the proposed Financial Institutions Supervisory Levies (‘the levies’ or ‘FISLs’) for the 2025–26 financial year. The levies are used to recover the operational costs of the Australian Prudential Regulation Authority (APRA), and other specific costs incurred by certain Commonwealth agencies.

This paper, prepared by Treasury and APRA, sets out information on the total expenses incurred by APRA, and other Commonwealth agencies, for activities to be funded through commensurate levies revenue collected in 2025–26.

# Australian Government cost recovery

In December 2002, the government adopted a formal cost recovery policy to improve the consistency, transparency and accountability of cost recovered activities and promote the efficient allocation of resources. Cost recovery involves government entities charging individuals or non‑government organisations some, or all, of the efficient costs of a specific government activity. This may include goods, services or regulation, or a combination of these.

The Australian Government Charging Framework (introduced on 1 July 2015) and Cost Recovery Policy (CRP) set out the overarching policy under which government entities design, implement and review cost recovered activities. In line with the policy, individual portfolio ministers are ultimately responsible for ensuring entities’ implementation and compliance with the CRP.

APRA’s funding is outlined in the annual Treasury Portfolio Budget Statements. Generally, additional funding is provided to APRA through budget measures that are outlined in documents published on the [www.budget.gov.au](http://www.budget.gov.au) website.

APRA will release an updated Cost Recovery Implementation Statement (CRIS) no later than 30 June 2025. This will provide further transparency around the cost of APRA’s activities and the corresponding impact on the levies.

# Policy and legislative basis for the levies

Costs incurred by APRA, and other Commonwealth agencies, in supporting the integrity and efficiency of markets and promoting the interests of consumers in the financial system, are funded through levies on industries that APRA regulates. Essentially, the levies are imposed to ensure that the full cost of regulation is recovered from those who benefit from it.

The legislative framework for these levies is established by the *Financial Institutions Supervisory Levies Collection Act 1998*, which prescribes the timing for payment and collection of levies. A suite of imposition Acts impose levies on regulated industries. For all industries, except for the private health insurance (PHI), these Acts set a CPI indexed statutory upper limit (which the restricted maximum cannot exceed) and provide for the Minister to make a determination as to certain matters. These include the percentages for each restricted and unrestricted levy component, the maximum and minimum levy amounts applicable to each restricted levy component, and the date at which the entity’s levy is to be calculated. Meanwhile, the imposition Act for PHI imposes a levy on regulated entities by setting a rate for each complying single and joint health insurance policy on issue on the census day.[[1]](#footnote-2)

Annually, the Minister makes a determination under each of the following Acts to provide the legal basis to impose a levy:

* *Authorised Deposit-taking Institutions Supervisory Levy Imposition Act 1998*
* *Authorised Non-operating Holding Companies Supervisory Levy Imposition Act 1998*
* *General Insurance Supervisory Levy Imposition Act 1998*
* *Life Insurance Supervisory Levy Imposition Act 1998*
* *Private Health Insurance Supervisory Levy Imposition Act 2015*
* *Superannuation Supervisory Levy Imposition Act 1998*
* *Retirement Savings Account Providers Supervisory Levy Imposition Act 1998*

The government has also provided authority to APRA to recover other specific costs incurred by certain Commonwealth agencies. The Minister’s determination in this regard, under the *Australian Prudential Regulation Authority Act 1998*, is to recover the costs of:

1. supporting the integrity and efficiency of markets in which leviable bodies operate;
2. promoting the interests of consumers in markets in which leviable bodies operate;
3. administering the function of making determinations about the release on compassionate grounds of benefits that are in a superannuation entity or retirement savings account;
4. governing and maintaining the superannuation transactions network; and
5. the regulation of leviable bodies.

Costs recovered for the above comprise costs incurred by the Australian Taxation Office (ATO), the Gateway Network Governance Body (GNGB) and Treasury.

The total funding for these agencies raised under the levies is set through the annual Budget process.

# APRA’s activities

APRA’s core purpose is to ensure the safety and stability of the financial system so that Australians can have confidence that their financial interests are protected.

In fulfilling its purpose, APRA uses a supervision-led approach to prudential regulation that is risk‑based, proportionate, and adaptable to the financial system as it evolves. APRA is forward-looking and outcomes-focused – identifying prudential risks and taking proactive action to prevent harm before it can occur, assisting in minimising regulatory burden, and facilitating competition and innovation. While primarily a supervision-led regulator, APRA also uses enforcement to prevent and address serious prudential risk and to hold entities and individuals to account for breaches of their prudential or legislative obligations.

APRA’s resolution function protects Australians from financial loss and disruption by planning for and implementing prompt and effective responses to the failure of a regulated entity. The aim is to oversee an orderly entity-led exit or manage an orderly resolution. This requires APRA to be operationally ready and to engage closely with the other Council of Financial Regulators (CFR) agencies – the Australian Securities and Investments Commission (ASIC), the Reserve Bank of Australia (RBA) and Treasury – as well as with international peer regulators.

The size and complexity of the Australian financial system is growing rapidly and risks to APRA, financial entities, the financial system and the Australian community can emerge quickly. Each year, in setting its strategic priorities, APRA takes into consideration changes in its operating environment and the government's policy priorities to ensure it continues to effectively deliver on its statutory responsibilities and the Government’s Statement of Expectations (with the most recent released in June 2023).[[2]](#footnote-3)

APRA’s strategic priorities are outlined in its rolling four-year corporate plan published annually. The 2024–25 Corporate Plan retains a key focus on maintaining financial and operational resilience, improving outcomes for superannuation members, transforming governance, culture, remuneration and accountability across all regulated entities, and improving cyber resilience across the financial system.[[3]](#footnote-4) Further, APRA’s strategic objectives remain anchored in delivering three key outcomes: the safety and stability of regulated entities; a stable financial system; and a financial system enabling good financial outcomes. APRA works closely with other regulatory agencies, including as a member of the CFR, to achieve its purpose and strategic priorities.

APRA’s strategic priorities and activities will be reviewed as part of setting the 2025–26 Corporate Plan.

Some of APRA’s activities are not funded by levies. Rather, the costs are recovered by direct user charges or through direct government funding. The cost of the following activities will not be recovered through the levies:

* accreditation of authorised deposit-taking institutions (ADIs) with sophisticated risk management systems that are adopting ‘advanced’ approaches for determining capital adequacy permitted under the Basel Framework, and ongoing specialised supervision of accredited ADIs;
* licencing fees; and
* the provision of statistical reports to the RBA and the Australian Bureau of Statistics (ABS).

# Summary of levies funding requirements for 2025–26

The total funding required under the levies in 2025–26, for all relevant Commonwealth agencies, is $282.6 million. This is a $11.4 million (3.9 per cent) reduction from the 2024–25 requirement. The reduction is largely attributable to a $3.1 million reduction in APRA’s levies (see next section for details), and a $8.4 million reduction in the ATO component.[[4]](#footnote-5)

The components of the levies are outlined in Table 1.

Table 1: Total levies funding required

| **Levies funding summary** | **2024-25**  **Budget**  **($m)** | **2025-26**  **Budget**  **($m)** | **Change**  **($m)** | **Change**  **(%)** |
| --- | --- | --- | --- | --- |
| APRA | 246.1 | 243.0 | (3.1) | (1.3) |
| ATO | 45.6 | 37.2 | (8.4) | (18.4) |
| Gateway Network Governance Body | 1.3 | 1.4 | 0.1 | 7.7 |
| Treasury superannuation consumer advocate | 1.0 | 1.0 | 0.0 | 0.0 |
| **Total** | **294.0** | **282.6** | **(11.4)** | **(3.9)** |

## APRA’s 2025–26 levy funding requirements

APRA’s net funding requirements under the levies for 2025–26 are shown in Table 2.

The budgeted total cost for APRA for 2025–26 is $266.8 million, a $2.9 million (1.1 per cent) reduction from the 2024–25 budget. The reduction is largely due to the decrease in funding from earlier budget measures, partially offset by the effects of wage cost index movements. Other components of the funding requirements include:

* a further $1.0 million to provide for future enforcement costs
* removal of $21.7 million of non-levy income (refer to Table 3)
* refund of $2.2 million of prior year over-collected levies from industry
* a new budget measure of $2.0 million on superannuation in retirement reporting framework
* removal of the cost increase of $2.9 million arising from the introduction of AASB-16 Leases

APRA’s underlying net levies funding requirement for 2025–26 is $243.0 million, a reduction of $3.1 million (1.3 per cent) to the funding requirement for 2024–25.

Table 2: APRA — Levies funding required

| **APRA’s funding requirements** | **2024-25 Budget**  **($m)** | **2025-26 Budget**  **($m)** | **Change**  **($m)** | **Change**  **(%)** |
| --- | --- | --- | --- | --- |
| APRA - operating expenses | 269.7 | 266.8 | (2.9) | (1.1) |
| APRA - contingency enforcement fund | 1.0 | 1.0 | 0.0 | 0.0 |
| Non-Levy income (Table 3) | (21.1) | (21.7) | (0.6) | 2.8 |
| Prior year under / over collected revenue (recouped / refunded) from industry (Table 4) | (1.7) | (2.2) | (0.5) | 29.4 |
| Budget Measure - superannuation in retirement reporting framework | 1.3 | 2.0 | 0.7 | 53.8 |
| Removal of impact of AASB16 – Leases | (3.1) | (2.9) | 0.2 | (6.5) |
| **Net funding met through industry levies** | **246.1** | **243.0** | **(3.1)** | **(1.3)** |

Table 3 below outlines the other sources of APRA revenue (or non-levy income) available to partially fund APRA expenditure.

Table 3: Non-levy income

| **Non-levy Income** | **2024-25 Budget ($m)** | **2025-26 Budget ($m)** | **Change ($m)** | **Change (%)** |
| --- | --- | --- | --- | --- |
| Appropriations - Other | (16.4) | (15.3) | 1.1 | (6.1) |
| Provision of goods and services | (4.7) | (6.4) | (1.7) | 34.0 |
| **Total** | **(21.1)** | **(21.7)** | (0.6) | 2.8 |

## Adjustment for over-collected levies

To ensure that industry does not pay any more or less than the cost of prudential regulation and to maintain the integrity of the levies funding mechanism, the industry levies funding requirement is adjusted each year by over and under‑collected levies from prior periods.

There will be an over‑collection of levies of $2.2 million based on expected 2024–25 collections. The over-collection will be refunded to industry through the 2025–26 levies (Table 4).

Table 4: Over-collected levies

| Source of revenue | 2024–25 Budget ($m) | 2024–25 Forecast ($m) | 2024-25 Difference ($m) | ADI Difference ($m) | LI Difference ($m) | GI Difference ($m) | Super Difference ($m) | PHI Difference ($m) |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| APRA Levies | 246.1 | 248.3 | (2.2) | (0.9) | (0.5) | 0.0 | (0.8) | 0.0 |
| Non-APRA levies | 47.9 | 47.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **294.0** | **296.2** | **(2.2)** | **(0.9)** | **(0.5)** | **0.0** | **(0.8)** | **0.0** |

## Australian Taxation Office component

Funding from the levies collected from the superannuation industry includes a component to cover the ATO’s regulatory costs in administering the Superannuation Lost Member Register (LMR) and Unclaimed Superannuation Money (USM) frameworks.

In 2025–26, $13 million will be recovered for the ATO to support its activities in relation to the LMR and USM, which include:

* implementing strategies to reunite individuals with lost and unclaimed superannuation money including promoting ATO Online services through myGov and targeted campaigns using demographic data and account balances;
* working collaboratively with funds to engage members being reunited with their super, and providing funds with updated contact information about their lost members;
* processing of lodgements, statements and other associated account activities;
* processing of claims and payments, including the recovery of overpayments;
* reviewing and improving the integrity of data on the LMR and in the USM system;
* reviewing and improving data matching techniques, which facilitates the display of lost and unclaimed accounts on the ATO On-Line Individuals Portal; and
* undertaking work to identify and mitigate risk and fraud.

The funding also supports the ongoing upkeep and enhancement of the ATO’s administrative system for USM frameworks and the LMR, and for continued work to improve efficiency and automate processing where applicable.

In addition, from 1 July 2018, the ATO assumed the role of administering the early Compassionate Release of Super program. The compassionate grounds enable the ATO to consider the early release of a person’s preserved superannuation in specified circumstances.

In 2025–26, $24.2 million will be recovered for the ATO to administer this program.

## Gateway Network Governance Body component

The GNGB governs the Superannuation Transaction Network (STN), the gateway infrastructure that facilitates transmission of SuperStream data messages between employers, superannuation funds and the ATO. It promotes the efficiency and effectiveness of the STN, monitoring compliance with the standards, managing new entrants to the network, and engaging with key stakeholders in government and industry.

In 2025–26, $1.4 million will be recovered with respect to the GNGB. The $0.1 million increase from 2024–25 is to reflect the changes in consumer price index (CPI) and increased focus on cyber threats and security of data within the STN.

## Treasury component

Treasury administers a grant to fund a superannuation consumer advocate, which has been chosen through a competitive grant process. The advocate undertakes research and analysis, engages with government, regulators and industry on policy issues affecting superannuation members, and represents the interests of superannuation members in public discourse. In 2025–26, $1.0 million will be recovered to fund the grant.

# Summary of sectoral levies arrangements for 2025–26

1. Two methodologies are adopted by APRA to calculate supervisory levies.
2. The first levy methodology used to recoup APRA’s costs is applied to the ADI, superannuation, general insurance (GI) and life insurance and friendly societies (LI) industries. It has two components:

* the restricted levy component, which has a cost-of-supervision based rationale, is structured as a percentage rate on reported assets and is subject to minimum and maximum amounts.
* the unrestricted levy component, which has a systemic impact rationale, is structured as a percentage rate on reported assets and does not have minimum or maximum amounts for individual regulated entities.

1. The levy allocation methodology is designed to fully recover the costs from each industry and minimise cross-subsidies across industries.
2. To reduce volatility in levies charged to industry, when calculating the percentage of time spent split between the restricted component and the unrestricted component, APRA smooths the allocation of costs through use of a moving four-year average, before allocation to the four industries.
3. After the amount to be recovered from the four industries in both the restricted and unrestricted components is known, and the population estimated, the required levy rates to recover these amounts are then calculated.
4. Currently, the restricted and unrestricted components account for approximately 56 per cent and 44 per cent respectively of APRA’s overall supervisory effort.
5. The second levy methodology used to recoup APRA’s costs is applied to the PHI industry and is a fixed price levy, being the PHI supervisory levy. This levy adopts a cost-of-supervision based rationale and is structured as a fee per policy holder. There are no minimum or maximum amounts.

Table 5.1: APRA’s supervisory effort by industry - restricted

| **Restricted component** | ***2022-23***  ***Actual %*** | ***2023-24***  ***Actual %*** | ***2024-25 Forecast %*** | ***2025-26 Estimate %*** | ***2025-26***  ***4-yr average %*** |
| --- | --- | --- | --- | --- | --- |
| ADIs | 45 | 46 | 47 | 46 | 46 |
| Life insurance/Friendly societies | 10 | 9 | 8 | 7 | 8 |
| General insurance | 13 | 12 | 11 | 11 | 12 |
| Superannuation | 27 | 29 | 30 | 32 | 30 |
| Private health insurance | 5 | 4 | 4 | 4 | 4 |
| **Total** | **100** | **100** | **100** | **100** | **100** |

Table 5.2: APRA’s supervisory effort by industry - unrestricted

| **Unrestricted component** | ***2022-23***  ***Actual %*** | ***2023-24***  ***Actual %*** | ***2024-25 Forecast %*** | ***2025-26 Estimate %*** | ***2025-26***  ***4-yr average %*** |
| --- | --- | --- | --- | --- | --- |
| ADIs | 47 | 46 | 46 | 45 | 46 |
| Life insurance/Friendly societies | 10 | 9 | 8 | 8 | 9 |
| General insurance | 13 | 12 | 11 | 10 | 11 |
| Superannuation | 25 | 28 | 30 | 33 | 29 |
| Private health insurance | 5 | 5 | 5 | 4 | 5 |
| **Total** | **100** | **100** | **100** | **100** | **100** |

# APRA’s levies requirement

Table 6 illustrates APRA’s 2025–26 funding for both levy components from each industry and compares this with the levies funding required from each industry for 2024–25.

Table 6: APRA levies by industry

| Industry | 2024-25 Restricted Component ($m) | 2024-25 Unrestricted Component ($m) | 2024-25 special levy | 2024-25 Total ($m) | 2025-26 Restricted Component ($m) | 2025-26 Unrestricted Component ($m) | 2025-26 special levy | 2025-26 Total ($m) |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ADIs | 59.1 | 47.4 | nil | 106.5 | 65.1 | 45.7 | nil | 110.8 |
| Life insurance/Friendly societies | 12.3 | 9.8 | nil | 22.1 | 11.3 | 8.2 | nil | 19.5 |
| General insurers | 18.3 | 14.4 | nil | 32.7 | 17.0 | 11.6 | nil | 28.6 |
| Superannuation | 41.9 | 31.8 | nil | 73.7 | 43.4 | 29.5 | nil | 72.9 |
| Private health insurers | nil | nil | 10.0 | 10.0 | nil | nil | 10.0 | 10.0 |
| NCPD special levy | nil | nil | 1.1 | 1.1 | nil | nil | 1.2 | 1.2 |
| Total | 131.6 | 103.4 | 11.1 | 246.1 | 136.8 | 95.0 | 11.2 | 243.0 |

# Total sectoral levies arrangements for 2025–26

Table 7 itemises the total levies required in 2025-26 from each regulated industry.

Table 7: Total levies by industry

| **Industry** | **APRA ($m)** | **ATO ($m)** | **GNGB ($m)** | **Treasury ($m)** | **2025-26 Total ($m)** | **2024-25 Total ($m)** | **Increase/**  **(decrease) ($m)** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ADIs | 110.8 | nil | nil | nil | 110.8 | 106.5 | 4.3 |
| Life insurance/Friendly societies | 19.5 | nil | nil | nil | 19.5 | 22.1 | (2.6) |
| General insurers | 28.6 | nil | nil | nil | 28.6 | 32.7 | (4.1) |
| Superannuation | 72.9 | 37.2 | 1.4 | 1.0 | 112.5 | 121.6 | (9.1) |
| Private health insurers | 10.0 | nil | nil | nil | 10.0 | 10.0 | 0.0 |
| NCPD special levy | 1.2 | nil | nil | nil | 1.2 | 1.1 | 0.1 |
| **Total** | **243.0** | **37.2** | **1.4** | **1.0** | **282.6** | **294.0** | **(11.4)** |

# Industry structure

Table 8 compares the number of institutions and their asset values as at December 2023 and December 2024. The relevant asset values at the levy dates will be the basis for calculation of the levies for 2025–26. Consequently, the asset values used to estimate the levies payable in this paper will differ from those used to invoice the levies.

The levy base for the calculation of levies for superannuation excludes employer-sponsored receivable assets for public sector entities. These assets are included in the table below.

Table 8: Institutional asset base used for modelling levies

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Industry sector** | **Dec-23**  **entity count7,8** | **Dec-23**  **total assets ($b)9,10** | **Dec-24**  **entity count7,8** | **Dec-24**  **total assets ($b) 9,10** |
| ADIs1,2 - Banks (excluding mutuals) | 73 | 6,031 | 74 | 6,222 |
| ADIs1,2 – Mutuals3 | 57 | 197 | 54 | 206 |
| ADIs1,2 - Other ADIs (not defined as banks or mutuals) | 7 | 10 | 6 | 10 |
| ADIs1,2 - Restricted ADIs | 3 | nil | nil | nil |
| Life insurers | 24 | 134 | 23 | 133 |
| Friendly societies | 10 | 10 | 10 | 12 |
| General insurers | 90 | 131 | 88 | 135 |
| Private health insurers | 31 | 19 | 30 | 20 |
| Superannuation funds4 – excluding small funds5 | 118 | 2,557 | 105 | 2,915 |
| Superannuation funds4 – Small funds6 | 1,009 | 2 | 999 | 2 |
| **Industry total** | **1,422** | **9,091** | **1,389** | **9,655** |

1. Number of representative offices of foreign banks have not been included in the ADI classification or total number of regulated entities, as they are not regulated by APRA.
2. The assets figures for ADIs have been sourced from the Economic and Financial Statistics (EFS) data collection which reports on a domestic book’s basis.
3. Mutual ADIs are defined as ADIs operating under a mutual corporate structure.
4. This data excludes superannuation funds that APRA does not regulate, that is, exempt public sector superannuation schemes and ATO regulated self-managed superannuation funds.
5. The 'superannuation institutions excluding small funds' category consists of public offer funds, non-public offer funds, multi-member approved deposit funds, eligible rollover funds and pooled superannuation trusts. These assets include employer-sponsor receivable assets.
6. 'Small funds' consist of small APRA funds (SAFs) and single member approved deposit funds (SMADFs).
7. 'Number' represents the number of licensed entities. It also includes entities that are currently in the process of winding up or deregistration but remain authorised entities as at the date of this data being compiled.
8. Number of entities for end-December 2023 have been revised to reflect wind-up and deregistration of entities finalised during the 2024 calendar year.
9. Asset figures for end-December 2024 are based on the most recently submitted returns. Asset figures for end-December 2023 have been revised slightly from prior year's report in line with audited returns and resubmissions received during the year.
10. Asset figures for general, private health and life insurance and friendly societies are based on the revised reporting framework for insurance to reflect the implementation of Australian Accounting Standards Board 17 Insurance Contracts (AASB17)).

# Summary of the impact on each individual industry

In this section we outline the levy impact on each industry and APRA’s area of focus in 2025–26.

APRA’s supervisory activities will continue the focus on protecting the safety and resilience of regulated entities, promoting confidence and stability in the financial system, and supporting the community to achieve good financial outcomes. Our supervisory teams will continue to engage closely with regulated entities, applying a proportional approach to managing idiosyncratic entity risks as well as to addressing heightened industry and system risks such as geopolitical volatility.

APRA will also continue to work in close coordination with regulatory agencies to support collective goals, minimise duplication of activities and reduce regulatory burden. This includes contributing to the Government’s Regulatory Initiatives Grid.

Further detail on APRA’s activities will be released in APRA’s 2025–26 corporate plan published in August 2025.

## All APRA regulated industries

There are several focus areas for APRA’s supervision activities which are common across all regulated industries. These include:

* System-wide risks – APRA will continue to engage with regulated entities in conducting its first system risk stress test, which will improve APRA’s understanding of risk transmission mechanisms across industries and readiness to respond. APRA will also continue to work with regulated entities to understand and uplift resilience to heightened geopolitical risks in the external environment.
* Non-financial resilience – APRA will maintain a high focus on entities’ operational resilience and will monitor compliance with the new CPS 230 requirements coming into effect from 1 July 2025. APRA will also continue to engage with entities in response to its discussion paper on governance requirements.
* Cyber resilience – APRA will continue to increase its focus on cyber resilience, including working with peer government agencies to improve regulated entities cyber resilience and preparedness, using data collected by entities as part of CPS 230 to further assess risks in the service provider ecosystem for regulated entities, and monitoring the use and risk management of generative AI in regulated entities.
* Crisis preparedness – APRA will continue to review and assess recovery and exit plans required under CPS 190 and progress engagement with significant financial institutions on resolution planning under CPS 900 to make them more resolvable.

## Authorised deposit-taking institutions

The ADI industry comprises large and small banks as well as building societies, credit unions, restricted ADIs and Purchased Payment Facilities (PPF). Total levies funding by ADIs of $110.8 million is to recover the costs of APRA’s supervision of the ADI industry (Table 7). The total compares to $106.5 million in 2024–25.

Levies funding from ADIs in 2025–26 represents 39.2 per cent of the total levies, an increase from 36.2 per cent in 2024–25. The levies funding increase in 2025–26 is primarily driven by the increase in supervisory activities in the sector. The levy minimum has been unchanged, at $22,500. The levy maximum has increased to $8,500,000 for 2025‑26.

APRA’s key banking activities will include:

* Additional Tier 1 (AT1) capital – APRA will progress with phasing out AT1 as eligible capital instruments in the capital framework.
* Regulatory balance and transparency – APRA will continue looking to balance regulation benefits and costs, as well as transparency. This includes considering submissions to the CFR’s small and medium banks review with the final report due to Government by 1 July 2025, continuing to conduct regular reviews of ad hoc data collections, and reviewing the thresholds we use to distinguish between significant financial institutions and non-significant financial institutions.

## General insurance

Total levies funding of $28.6 million is to be recovered for APRA’s supervision of the general insurance industry (Table 7). The total compares to $32.7 million in 2024–25.

Levies funding from general insurers in 2025–26 represents 10.1 per cent of the total levies, compared to 11.1 per cent in 2024–25. The levy minimum and maximum for 2025–26 remain unchanged, at $22,500 and $1,600,000 respectively.

APRA’s key general insurance activities will include:

* Household insurance protection gap *–* APRA will continue to partner with insurers, government, communities, peer regulators and other stakeholders to identify actions to address the household insurance protection gap. APRA will encourage insurers to seek an appropriate balance between maintaining financial health and offering affordable and well‑designed insurance products that sustainably meet community needs.
* CVA – APRA will continue its Climate Vulnerability Assessment work, which will support a better understanding of the impact of climate change on household insurance affordability out to 2050.
* Risk management – APRA will continue its focus on strengthening insurance risk management capabilities across the industry especially for insurers with outsourced underwriting functions.
* Reinsurance – APRA will consult on proposed changes to the general insurance reinsurance framework to promote access to all forms of reinsurance solutions, reduce regulatory burden and improve transparency for industry.

## Life insurance/Friendly societies

Total levies funding of $19.5 million is to recover the costs of APRA’s supervision of the life insurance industry (Table 7). The total compares to $22.1 million in 2024–25.

Levies funding from life insurers/friendly societies in 2025–26 represents 6.9 per cent of the total levies, a slight reduction from 7.5 per cent in 2024-25. The levy minimum and maximum for 2025–26 remain unchanged, at $22,500 and $1,200,000 respectively.

APRA’s key life insurance and friendly society specific activities include:

* Annuity capital – APRA will proceed with a public consultation on capital settings for annuity products to support life insurers and to increase the availability of retirement products for retirees.
* Product and industry sustainability – APRA will continue to assess life insurers’ progress in meeting APRA’s product sustainability expectations across both individual and group insurance business.

## National Claims and Policies Database special levy

In addition to the levy for general insurers, a separate levy to cover the costs of operating the National Claims and Policies Database (NCPD) will continue in 2025–26. The NCPD contains policy and claims information relating to public/product liability (PL) and professional indemnity (PI) insurance from entities within the general insurance industry. The total amount of the NCPD levy for 2025–26 is $1.2 million, a slight increase from $1.1 million collected in 2024–25. The special levies funding from NCPD in 2025–26 represents 0.4 per cent of the total levies, in line with 2024–25.

The NCPD levy is based on gross earned PL and PI premium. General insurers that no longer write policies in those two categories but still receive claims relating to previously written policies are classified as ‘runoffs’ and are subject to a flat rate for each category of insurance. Table 9 summarises the minimum and maximum levies and the rates to be used for 2025–26.

Table 9: Parameters for NCPD levy

| **NCPD levy parameters** | 2024-25 Professional indemnity | 2024-25 Public and product liability | 2025-26 Professional indemnity | 2025-26 Public and product liability |
| --- | --- | --- | --- | --- |
| Minimum ($) | 5,000 | 5,000 | **5,000** | **5,000** |
| Maximum ($) | 32,000 | 50,000 | **32,000** | **50,000** |
| Rate (%) | 0.0398 | 0.0273 | **0.0297** | **0.0238** |
| Runoff amount ($) | 2,500 | 2,500 | **2,500** | **2,500** |
| Total levy ($m) | 0.59 | 0.55 | **0.58** | **0.57** |

Following consultation in 2012–13, the prescribed NCPD levy for a general insurer that issues both PL and PI products is calculated as the sum of the PL and PI levy components.

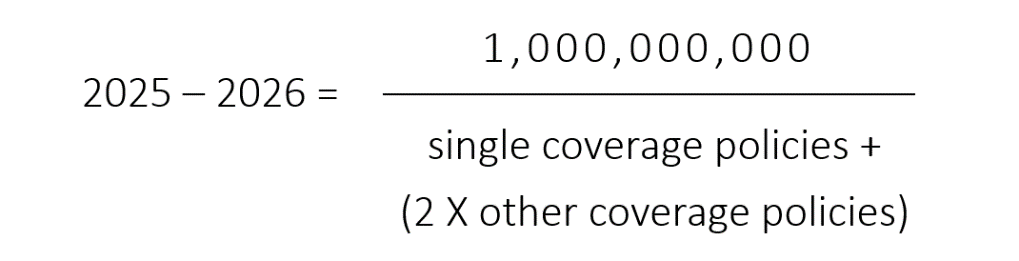
## Private health insurance

Total levies funding of $10.0 million is to recover APRA’s costs for the supervision of the PHI industry. The total compares to $10.0 million in 2024–25 (Table 7). Levies funding from private health insurers in 2025–26 represents 3.5 per cent of the total levies, a marginal increase from 3.4 per cent in 2024‑25.

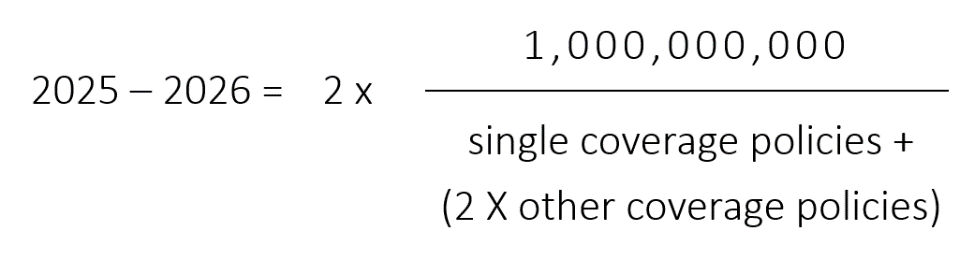
APRA’s key private health insurance specific activities include:

* Thematic review to better understand PHI governance structures.
* Close engagement with the Department of Health and Aged Care on potential reforms to make the sector (in particular private hospitals) more sustainable.

The rate for a single policy for 2025–26 is the amount in cents calculated using the formula below. The rates for single and other policies reflect APRA’s expected expenditure on the PHI industry.



The rate for other policies, including joint policies, for 2025–26 is the amount in cents worked out using the formula below:



In this rule:

* single coverage policies mean the aggregate number of single policies on issue from all private health insurers on the census day.
* other coverage policies mean the aggregate number of all other policies, including joint policies, on issue from all private health insurers on the census day.

Superannuation

Total levies funding by the superannuation industry of $112.5 million consists of $72.9 million for APRA’s supervision and $39.6 million for costs relating to the ATO, GNGB and the Treasury. This total compares to $121.6 million in 2024–25 (Table 7).

Levies funding from the superannuation industry in 2025–26 represents 39.8 per cent of total levies, a decrease from 41.4 per cent in 2024–25. The levy minimum remains unchanged for 2025–26 at $12,500. The levy maximum has increased to $950,000 for 2025–26.

APRA’s key activities in the superannuation industry will continue to focus on assessing trustees’ policies, processes and practices in delivering good member outcomes, including:

* Asset valuation and liquidity risk management – APRA will continue to focus on RSE licensees’ governance of asset valuation and liquidity risk management practices and address findings from recent thematic work on these topics. APRA is finalising its initial review into trustees’ approaches to investment management internalisation as bringing investment functions in‑house can lead to meaningful changes in an RSE licensee’s risk profile. APRA will continue its review of trustees’ investment governance practices for platform products and address findings, as needed.
* Retirement outcomes – APRA will continue engagement with RSE licensees to drive progress in improving the retirement outcomes of members. APRA is working closely with government to implement the new Retirement Reporting Framework to improve transparency of the outcomes delivered to members in retirement, as announced by the Treasurer in November 2024. APRA is also working with ASIC to deliver findings from its 2025 Pulse Check to continue monitoring RSE licensees’ progress in implementing the retirement income covenant.
* Member outcomes – APRA will continue to focus on holding trustees accountable for addressing underperformance with urgency, particularly where it is widespread across a product set, to improve outcomes for members.
* Expenditure – APRA will maintain intense scrutiny of fund-level expenditure to hold RSE licensees accountable for improving practices, reducing spending that is deemed not in members’ best financial interests and promoting the financial interests of their members. APRA will take a targeted approach to this expenditure supervision and continue to publish an increasing amount of data to improve transparency across the superannuation industry.

Trustees continue to operate in a heightened risk environment with increasing cyber risks and investment markets that are changing in response to inflation, higher interest rates and geopolitical factors. APRA will assess and address any observed deficiencies in how trustees are preparing for the changing environment, including their operational resilience in responding to cyber security events and the adequacy of their practices to respond to market stresses, including possible liquidity stress.

The levy amount for Small APRA Funds (SAFs) and Single Member Approved Deposit Funds (SMADFs) will remain unchanged, at a flat rate of $590 per fund.

## Non-operating holding companies

The 2025–26 levy for authorised non‑operating holding companies (NOHCs) will remain unchanged, at a flat fee of $45,000 per entity.

# Levies comparison between previous year and 2025-26

This section presents how the levy payable by a non-PHI entity will be determined in 2025–26. The prospective restricted rates, minimum, maximum, and unrestricted rates for each option are listed in Table 10.1 to Table 10.7, and compared to the actual parameters from 2024–25.

Table 10.1: Levy parameters – ADIs (locally incorporated)

| **ADIs (locally incorporated)** | **2024-25 Actual** | **2025-26 Forecast** | **Change (%)** |
| --- | --- | --- | --- |
| **Restricted** rate (%) | 0.00221 | 0.00220 | (0.5%) |
| **Restricted** minimum | 22,500 | 22,500 | 0.0% |
| **Restricted** maximum | 7,500,000 | 8,500,000 | 13.3% |
| **Unrestricted rate (%)** | 0.000777 | 0.000710 | (8.5%) |

Table 10.2: Levy parameters – ADIs (Purchased Payment Facility (PPF) provider)

| **ADIs (PPF)** | **2024-25 Actual** | **2025-26 Forecast** | **Change (%)** |
| --- | --- | --- | --- |
| **Restricted** rate (%) | 0.00221 | 0.00220 | (0.5%) |
| **Restricted** minimum | 22,500 | 22,500 | 0.0% |
| **Restricted** maximum | 1,500,000 | 1,700,000 | 13.3% |
| **Unrestricted rate (%)** | 0.000777 | 0.000710 | (8.5%) |

Table 10.3: Levy parameters – ADIs (foreign branches)

| **ADIs (foreign branches)** | **2024-25 Actual** | **2025-26 Forecast** | **Change (%)** |
| --- | --- | --- | --- |
| **Restricted** rate (%) | 0.00044 | 0.00044 | (0.5%) |
| **Restricted** minimum | 22,500 | 22,500 | 0.0% |
| **Restricted** maximum | 1,500,000 | 1,700,000 | 13.3% |
| **Unrestricted rate (%)** | 0.000777 | 0.000710 | (8.5%) |

Table 10.4: Levy parameters – Life insurers/Friendly societies

| **Life insurers/Friendly societies** | **2024-25 Actual** | **2025-26 Forecast** | **Change (%)** |
| --- | --- | --- | --- |
| **Restricted** rate (%) | 0.01235 | 0.01054 | (14.7%) |
| **Restricted** minimum | 22,500 | 22,500 | 0.0% |
| **Restricted** maximum | 1,200,000 | 1,200,000 | 0.0% |
| **Unrestricted rate (%)** | 0.006971 | 0.005679 | (18.5%) |

Table 10.5: Levy parameters – General Insurers

| **General Insurers** | **2024-25 Actual** | **2025-26 Forecast** | **Change (%)** |
| --- | --- | --- | --- |
| **Restricted** rate (%) | 0.01394 | 0.01234 | (11.5%) |
| **Restricted** minimum | 22,500 | 22,500 | 0.0% |
| **Restricted** maximum | 1,600,000 | 1,600,000 | 0.0% |
| **Unrestricted rate (%)** | 0.010477 | 0.008350 | (20.3%) |

Table 10.6: Levy parameters – Superannuation funds

| **Superannuation funds** | **2024-25 Actual** | **2025-26 Forecast** | **Change (%)** |
| --- | --- | --- | --- |
| **Restricted** rate (%) | 0.00776 | 0.00721 | (7.1%) |
| **Restricted** minimum | 12,500 | 12,500 | 0.0% |
| **Restricted** maximum | 900,000 | 950,000 | 5.6% |
| **Unrestricted rate (%)** | 0.003272 | 0.002593 | (20.7%) |

Table 10.7: Levy parameters – Pool Superannuation Trusts (PSTs)

| **Pooled Superannuation Trusts (PSTs)** | **2024-25 Actual** | **2025-26 Forecast** | **Change (%)** |
| --- | --- | --- | --- |
| **Restricted** rate (%) | 0.00388 | 0.00360 | (7.1%) |
| **Restricted** minimum | 12,500 | 12,500 | 0.0% |
| **Restricted** maximum | 450,000 | 475,000 | 5.6% |
| **Unrestricted rate (%)** | 0.001226 | 0.001051 | (14.3%) |

Tables 11 to 16 compare the cost of the levies payable in each industry for relevant asset bases between 2023–24 and 2024–25, and the proposed levies payable in 2025–26.

Table 11: Amounts levied on ADIs

| **Asset base** | **$50m  ($'000)** | **$500m  ($'000)** | **$5b  ($'000)** | **$25b  ($'000)** | **$100b  ($'000)** | **$800b  ($'000)** |
| --- | --- | --- | --- | --- | --- | --- |
| 2023-24 | 22.8 | 25.7 | 138.1 | 690.3 | 2,761.1 | 11,447.7 |
| 2024-25 | 22.9 | 26.4 | 149.1 | 745.7 | 2,982.7 | 13,712.0 |
| 2025-26 | 22.9 | 26.1 | 145.3 | 726.4 | 2,905.7 | 14,180.9 |
| Change (%) 2025-26 v 2024-25 | (0.1) | (1.3) | (2.6) | (2.6) | (2.6) | 3.4 |

Table 12: Amounts levied on foreign ADI branches

| **Asset base** | **$500m  ($'000)** | **$5b  ($'000)** | **$25b  ($'000)** | **$50b  ($'000)** |
| --- | --- | --- | --- | --- |
| 2023-24 | 25.7 | 54.0 | 264.2 | 528.5 |
| 2024-25 | 26.4 | 61.3 | 304.4 | 608.9 |
| 2025-26 | 26.1 | 58.0 | 287.3 | 574.6 |
| Change (%) 2025-26 v 2024-25 | (1.3) | (5.4) | (5.6) | (5.6) |

Table 13: Amounts levied on Life insurers/Friendly societies

| **Asset base** | **$50m  ($'000)** | **$500m  ($'000)** | **$5b  ($'000)** | **$10b  ($'000)** | **$20b  ($'000)** |
| --- | --- | --- | --- | --- | --- |
| 2023-24 | 25.7 | 100.5 | 1,005.3 | 1,783.6 | 2,417.3 |
| 2024-25 | 26.0 | 96.6 | 966.3 | 1,897.1 | 2,594.2 |
| 2025-26 | 25.3 | 81.1 | 811.2 | 1,622.3 | 2,335.8 |
| Change (%) 2025-26 v 2024-25 | (2.5) | (16.1) | (16.1) | (14.5) | (10.0) |

Table 14: Amounts levied on General insurers

| **Asset base** | **$15m  ($'000)** | **$50m ($'000)** | **$250m ($'000)** | **$1b ($'000)** | **$5b ($'000)** | **$15b ($'000)** |
| --- | --- | --- | --- | --- | --- | --- |
| 2023-24 | 23.5 | 25.8 | 46.4 | 185.5 | 927.7 | 2,441.0 |
| 2024-25 | 24.1 | 27.7 | 61.0 | 244.2 | 1,220.9 | 3,171.5 |
| 2025-26 | 23.8 | 26.7 | 51.7 | 206.9 | 1,034.5 | 2,852.6 |
| Change (%) 2025-26 v 2024-25 | (1.3) | (3.8) | (15.3) | (15.3) | (15.3) | (10.1) |

Table 15: Amounts levied on Superannuation funds (excluding SAFs and PSTs)

| **Asset base** | **$5m ($'000)** | **$50m ($'000)** | **$250m ($'000)** | **$1b ($'000)** | **$20b ($'000)** | **$50b ($'000)** | **$100b ($'000)** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2023-24 | 12.7 | 14.1 | 28.9 | 115.7 | 1,433.5 | 2,383.7 | 3,967.5 |
| 2024-25 | 12.7 | 14.1 | 27.6 | 110.4 | 1,554.4 | 2,535.9 | 4,171.8 |
| 2025-26 | 12.6 | 13.8 | 24.5 | 98.0 | 1,468.6 | 2,246.6 | 3,543.1 |
| Change (%) 2025-26 v 2024-25 | (0.3) | (2.4) | (11.2) | (11.2) | (5.5) | (11.4) | (15.1) |

Table 16: Amounts levied on PSTs

| **Asset base** | **$10m ($'000)** | **$50m ($'000)** | **$500m ($'000)** | **$5b ($'000)** | **$10b ($'000)** | **$20b ($'000)** | **$50b ($'000)** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2023-24 | 12.6 | 13.1 | 27.1 | 271.0 | 522.1 | 644.2 | 1,010.4 |
| 2024-25 | 12.6 | 13.1 | 25.5 | 255.4 | 510.8 | 695.1 | 1,062.9 |
| 2025-26 | 12.6 | 13.0 | 23.3 | 232.8 | 465.6 | 685.2 | 1,000.4 |
| Change (%) 2025-26 v 2024-25 | (0.1) | (0.7) | (8.8) | (8.8) | (8.8) | (1.4) | (5.9) |

1. Census day is the 30 June last occurring before the day on which the levy is payable. [↑](#footnote-ref-2)
2. <https://www.apra.gov.au/statement-of-expectations> [↑](#footnote-ref-3)
3. <https://www.apra.gov.au/apra-corporate-plan-2024-25> [↑](#footnote-ref-4)
4. Refer to page 7 for ATO activities funded through the levies. [↑](#footnote-ref-5)