



**ASIC**  
Australian Securities &  
Investments Commission

## Senate Economics Legislation Committee Senate Estimates

ASIC Chair Joe Longo

### **OPENING STATEMENT** 16 February 2023

I am pleased to appear before the Committee today. I am joined today by Deputy Chairs Sarah Court and Karen Chester, Commissioner Danielle Press, Chief Operating Officer Warren Day, Executive Director of Strategy Greg Kirk and our General Counsel Chris Savundra.

We value the opportunity to appear before this Committee.

You will be aware that Sean Hughes has recently finished his term at ASIC, and I wanted to take a minute to acknowledge Sean's contribution. Sean has had a long career at ASIC and has served as Commissioner at ASIC since 2018. Sean has contributed to ASIC's work on a range of issues, including responsible lending and BNPL regulation, climate-related disclosure and sustainable finance, among others. We are grateful for the contribution Sean made to ASIC in his role as Commissioner and wish him well in the next stage of his career.

I know you will have questions on a range of topics, which we welcome. I'll just highlight a couple of important topics.

As you would be aware, ASIC last week shared with staff the proposed top-level structure coming out of our organisational review. There will now be a consultation process on the proposal with senior executives, and then with all levels of staff in March. We anticipate the agreed new structure will start to be implemented from 1 July 2023. We will, of course, advise everyone of our revised structure once it is finalised and will publish it on the ASIC website.

The focus of the proposed new structure is to support ASIC in achieving our strategic and operational ambitions. There were recurring themes during the review, which included stakeholder feedback from past reviews, including the FRAA Report.

Some key themes included:

- Timeliness in decision-making
- Collaboration and coordination
- A better alignment of strategic priorities and resource allocation
- Risk appetite and risk management

- The proposed structure brings a strong focus to four regulatory areas: intelligence gathering, transformation and technology; regulation and supervision; enforcement and compliance; and markets. The structure allows our intelligence about individual matters to flow more quickly to enforcement teams, which will allow us to pick up misconduct earlier and address potential breaches where we see them.

We released our Quarterly Report yesterday. The report highlights actions taken during the last three months of 2022, and outlines the full list of enforcement priorities for the year ahead. The quarter saw ASIC commence a number of significant enforcement and regulatory actions to address misconduct and consumer harms in a range of sectors. This includes corporate governance and directors' duties, product design and distribution, and misleading statements involving sustainable finance practices. Importantly, this Report includes ASIC's initial version of a regulatory developments timetable, which outlines proposed timeframes for the regulatory work ASIC is initiating. It aims to assist stakeholders with forward planning of their own work. It is one of the initiatives that ASIC's Regulatory Efficiency Unit identified through stakeholder feedback and we are implementing it.

You will have seen in the media the continuing interest in ASIC's enforcement work in relation to directors' duties. There is, of course, a limit to what I can say about ASIC's investigations and court matters, but I will say that we take these cases seriously and look closely at whether we have sufficient evidence to bring an actionable case. I've spoken before about the challenge for regulators to make sound investigation and enforcement choices. In making these choices, we need to be strategic, and we need to balance the evidence, facts, and the public interest in order to maximise our regulatory outcomes.

Finally, I wanted to mention our Indigenous Financial Services Framework that we published on Tuesday this week. I'm very proud of this work. It's the culmination of years of collaborative work, and a First Nations led process that I believe is a first for ASIC. The Framework outlines key learnings developed through extensive consultation about First Nations people's access to and engagement with the financial system. We are sharing the Framework broadly, so our stakeholders can consider and use the key learnings to support positive financial outcomes for First Nations peoples. We have appreciated being led by First Nations peoples in the development of the Framework, and we see it as an opportunity to continue including this engagement in developing ASIC's priorities that affect First Nations people. I encourage you to take a look.

We look forward to answering the Committee's questions.