

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Additional Estimates
2016 - 2017

Division/Agency: Australian Securities and Investment Commission
Question No: 162
Topic: ASIC capability review and the implementation plan
Reference: Hansard page 7 (02 March 2017)
Senator: Gallagher, Katy

Question:

Senator GALLAGHER: I will begin with the ASIC capability review and the implementation plan. I do not necessarily need the detail, because we have got a very short time this morning, but I note the majority of the recommendations were due to be implemented by 30 June 2016, with a few over into 2017. Could the committee get an update, perhaps on notice—I did look for an update in your annual report, but it is probably just the timing of the documents that is a bit at odds—on whether that is tracking as expected or if there have been any delays? An update would be appreciated.
Mr Medcraft: We will take it on notice, but what I can tell you is the implementation of the review is nearing completion.

Answer:

The report of the ASIC Capability Review (the Review) was provided to Government on 4 December 2015. The Government released its response on 20 April 2016. Findings from the Review supported and enhanced the change agenda ASIC had already embarked on to improve its capabilities, based around enhancing our people, powers, processes and technology.

ASIC supported most of the Review's recommendations and in April 2016 released its implementation plan, setting out the actions it would take and the timeframes in which those actions would be taken:

<http://download.asic.gov.au/media/3826160/asic-capability-review-asics-public-response-and-implementation-plan-20-4-2016.pdf>

ASIC's implementation of the Capability Review recommendations is nearing completion. Below is a summary of the status of implementation initiatives.

External governance and performance reporting (Recommendations 1-2 and 13-14)

ASIC's Corporate Plan 2016/17-2019/20: The Corporate Plan was published on 31 August 2016, and business plan summaries aligned with the Corporate Plan were published on 31 October 2016.

Performance reporting framework: ASIC published its self-assessment against the Regulator Performance Framework for 2015/16 on 30 January 2017.

Statement of Expectations and Statement of Intent: Treasury has provided ASIC with draft Statements of Expectations, most recently in November 2016. Once the final Statement of Expectations is issued by the Treasurer, ASIC will respond with a Statement of Intent.

Internal governance (Recommendations 3-6)

Enhanced management information reporting to Commission: The Commission has endorsed a management dashboard covering regulatory resource allocation, regulatory operational efficiency, organisational support and services, and registry services. Regular review of the dashboard will ensure it remains fit for the purpose of informing strategic and management decision making. Surveillance dashboards are also in place for many stakeholder teams and are planned for further teams. Greater automation will be included as part of ASIC's Regulatory Transformation Program (see below).

Guidance about strategic use of Commission input, and effectiveness and role of Committees: The Commission has approved various proposals in relation to internal governance, and internal guidance has been published to ASIC staff. The Commission also considered the role of a range of ASIC Committees, and enhancements to their processes have been implemented.

Commission, workforce planning and culture (Recommendations 8-10, 12 and 21-23)

Strategy days: Commissioners are holding two new strategy days per year, in addition to ASIC's annual strategic planning conference; and are undertaking individual 360 degree feedback surveys.

Workforce capability: Workforce capability planning has been integrated into ASIC's people and development processes.

Culture diagnostic: ASIC undertook a further culture diagnostic in November 2016 to monitor progress from previous diagnostics completed in 2011 and 2014. ASIC staff participated in the culture survey in November 2016 and workshops were held in early 2017 to explore the survey results in context. The Commission considered the results in March 2017 and an action plan is being prepared by ASIC's People & Development team.

Strategic communication and stakeholder engagement (Recommendations 16-18 and 15 and 30)

ASIC Communications Strategy: ASIC has developed an overall Communications Strategy to ensure its communications are consistent with the strategic framework and its Corporate Plan, and to support strong engagement with the regulated population.

Advisory Panels: ASIC's various external panels have been consulted to examine ways to use their expertise more effectively. The issue was discussed by the External Advisory Panel, Consumer Advisory Panel, Digital Finance Advisory Committee, Director Advisory Panel, Market Supervision Advisory Panel and Registry Business Advisory Committee. Feedback received is being considered to further improve panel processes.

Organisation structure and regulatory toolkit (Recommendations 28 and 29)

Financial Services Panel: ASIC will shortly release a Consultation Paper seeking feedback on a proposal to develop and implement a Financial Services Panel to sit alongside ASIC's

existing administrative processes. The Panel would add a strong element of peer review to ASIC's administrative decisions. Consideration of the merits of a Financial Services Panel is also included in the terms of reference of the current Treasury-led ASIC Enforcement Review.

Stakeholder relationship model: ASIC has consulted stakeholders through a number of mechanisms over the last few months to better understand their varying needs and expectations. Feedback received and suggestions for improvement are being considered to further enhance our stakeholder engagement processes.

Data management (Recommendations 31-34)

ASIC Regulatory Transformation: ASIC's Regulatory Transformation Program, supported by a Program Delivery Office and Business Change Office, involves the implementation of a technology platform that will deliver standard regulatory business processes, portals to make compliance and interaction with ASIC easier and faster, and a single repository of regulatory information. 'ASIC Search' was launched in October 2016, and continues to be enhanced with new features. An integrated platform for reports of misconduct has been developed and change management activities are progressing. Workshops have been held over the last few months to support the rollout of surveillance and licensing processes on the integrated platform.

Program to design and implement open data policies and data analytic collaboration: There are ongoing discussions between ASIC and APRA about a data sharing framework, led by ASIC's Chief Data Officer. An inter-agency data analytics learning & development network has been set up, and ASIC is participating in this network along with the other Council of Financial Regulators agencies.