ASIC's Data Strategy 2017–20

How we will capture, share and use data

'Connecting the dots'
to achieve better
regulatory outcomes

Contents

Introduction and background

Purpose of ASIC's data strategy

The purpose of our data strategy is to describe our vision for data, our objectives and our approach to improving how we capture, share and use data.

Understanding the regulatory environment, how the regulated community behaves, and the outcomes for consumers and markets is key to performing our role. We monitor behaviour and outcomes by examining data relating to registration and licensing, regulated entity reporting and regulatory activities. We also review related data obtained from partner regulators and other third parties.

Our data strategy is part of **'One ASIC'** which is about 'connecting the dots' to achieve better regulatory outcomes. It is about working together and sharing data seamlessly using common language, systems and processes.

Our data strategy is a high-level, principles-based document that describes how we plan to be more data-driven and intelligence-led in the future.

We will review our progress and publish an update annually.

We will develop supporting data plans and undertake activities that will reference the principles outlined in this strategy.

This data strategy supports ASIC's alignment with whole-of-government initiatives, including the Public Data Policy and the Digital Continuity 2020 Policy.

Our data initiatives

We are undertaking a series of initiatives to continuously improve our data management and analytics capability. These include:

- creating a Chief Data Office;
- establishing the Data and Information Governance Framework;
- implementing the 'One ASIC' Regulatory Transformation Program (described below);
- establishing a data science lab;
- establishing governance forums, including the Digital Governance Board, Data Governance Council, Data Analyst Network and Data Champions Forum;
- implementing data exchange frameworks with other agencies; and
- educating staff on the value and potential uses of data.

We use data for our surveillance, enforcement and licensing activities, to develop effective guidance and education, and to inform policy. Where required, we will expand

our data holdings and enhance how we capture, share and use data, so that good-quality, well-governed data is available to us and our stakeholders for high-quality and timely decision making. Where possible, we will streamline our processes to make clear to our regulated population what data we need and why, and to ensure that we collect it in a proportionate and fair way.

Our 'One ASIC' Regulatory Transformation Program

Along with our data strategy, our Regulatory Transformation Program is a core part of **'One ASIC'** (Figure 1). It comprises key activities that will improve our data collection, management and governance; enhance our processes; make interacting with us simpler; and cut red tape to help improve compliance. These activities include:

- establishing a repository that brings together the regulatory data we capture and create, and a new search tool to enable our staff to easily access the data in the repository, providing a consolidated view of entities we regulate;

- implementing a single integrated customer relationship management system that will replace many of our legacy workflow systems;

- using a common language that supports consistent recording, reporting and analysis across the regulatory business; and

- developing a new online portal to support improved stakeholder interaction and better collection of digital data.

Figure 1: 'One ASIC': Connecting the dots to achieve better regulatory outcomes

People

♦ More adaptable, flexible and productive workforce

♦ Staff working across teams, supported by common language, systems and processes

♦ Activity-based working, for flexibility, collaboration and productivity

♦ Workforce planning to enhance staff data analytics and technology capabilities

Process and technology

♦ Common language, systems and ways of doing things

♦ One approach to collecting, storing, managing and using data for quality decision making

♦ One IT platform for internal and external regulatory data

♦ Optimising the value of all data through digitisation and new tools

♦ Reducing red tape and facilitating compliance by simplifying the way we collect data

♦ Exploring options for receiving and accessing data, including through the use of regulatory nodes using distributed ledger

Culture and governance

♦ Shared vision, view of 'what good looks like' and strategy

♦ 'One ASIC' approach to data

♦ Common way of governing processes, technology and data

♦ Cross team projects to meet particular risks

♦ One set of performance measures and outcomes

Industry trends for regulators

6   We are not alone in our drive to extract more value from data. Trends for regulators worldwide include:

- strengthening data ownership and governance;

- increasing the reusability, sharing and understanding of available data;

- improving engagement with industry on collection and interactions related to data;

- streamlining the collection and processing of data;

- getting actionable insights from data;

- securing data in the face of increasing cyber threats; and

- ensuring stakeholder privacy in the way data is captured, shared and used.

Industry trends for regulators

Our vision for ASIC's data

To contribute to the financial wellbeing of all Australians by better understanding the regulatory environment and detecting, understanding and responding to behaviour by improving how we capture, share and use data.

Supporting ASIC's vision and approach

Our data strategy supports ASIC's vision, as set out in our Corporate Plan:

To allow markets to fund the economy and, in turn, economic growth. In doing so, we will contribute to the financial wellbeing of all Australians. We do this by:

- promoting investor and consumer trust and confidence;
- ensuring fair and efficient markets; and
- providing efficient registration services.

To identify misconduct, or the risk of misconduct, we rely on data management and analytics to help us **'detect, understand and respond'** appropriately.

DETECT

We adopt a risk-based approach so our actions are targeted and proportionate.

We detect misconduct by:

- undertaking surveillances that target areas with higher risk to investors, consumers and markets;
- using information from gatekeeper breach reports, industry whistleblowers, complaints and reports from the public;
- monitoring trends and emerging risks;
- leveraging stakeholder knowledge to better understand the market and industry; and
- working with academics, industry, consumer groups and other regulators—local and international—to assess developments and how we respond.

UNDERSTAND

We analyse intelligence to assess risks early and respond quickly.

We gather insights by:

- using our technology, data management and analytics capabilities; and
- enhancing our behavioural insights and research capabilities.

RESPOND

**We communicate our actions with stakeholders and keep improving our ways of doing things.**

We respond by:

- taking enforcement and other regulatory action to hold gatekeepers accountable;

- providing guidance and engaging with individual firms and industry to drive behavioural change;

- building financial capability;

- engaging with local and international stakeholders;

- providing policy advice to government and driving the implementation of law reforms;

- influencing international policy and participating in global standard setting;

- facilitating financial innovation and cross-border activities, while managing risks; and

- promoting sound risk management systems and controls among our regulated populations.

'Capture, share and use' approach

Central to our data strategy is our **'capture, share and use'** approach. Figure 2 shows how we bring data in to ASIC, how we share it across the organisation and externally, and how we use data to make our decisions as a law enforcement agency. We regularly review the data we capture and how it is being used, and assess whether it continues to meet our needs.

Figure 2: **Embedding the 'capture, share and use' approach**
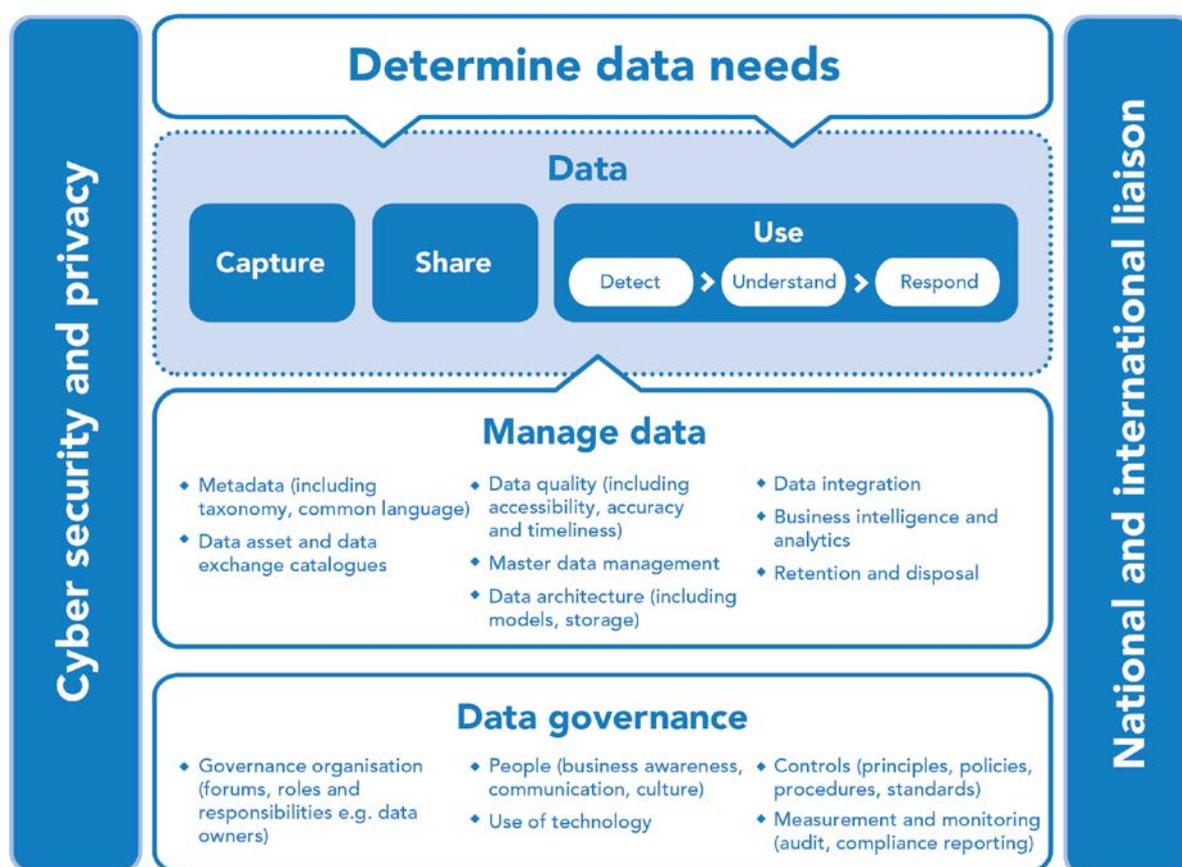
Before capturing, sharing or using data, we determine our data needs. This ensures we not only capture the data we need, but we also make better use of the data we hold, minimising the impact on our external stakeholders and enabling us to better detect, understand and respond to misconduct or the risk of misconduct.

This is supported by adopting sound management practices for our:

- data quality, including accessibility, accuracy and timeliness;
- master data;
- data architecture, including data models and storage;
- metadata, including taxonomy and common language;

- data asset and data exchange catalogues;

- data integration between systems;

- business intelligence and analytics; and

- data retention and disposal.

We govern how we capture, share and use data through our:

- governance organisation, including our Data and Information Governance Framework, governance forums and formalised roles and responsibilities in relation to data ownership;

- people, including through business awareness, communication and culture;

- use of technology;

- controls, including principles, policies, procedures and standards; and

- measurement and monitoring practices, including audit and compliance reporting.

We maintain appropriate cyber security standards to protect the privacy and confidentiality of our data, and we engage widely, nationally and internationally, to improve data management and analytics capabilities—both within ASIC and more broadly.

Objectives of ASIC's data strategy

The objective of our data strategy is to transition ASIC into a more data-driven and intelligence-led organisation, more capable of 'connecting the dots' to achieve better regulatory outcomes. Our effectiveness as a regulator and the quality of our decisions rely on well-governed data.

We aim to:

- develop a more complete understanding of the economic environment in which our regulated community operates, and track its evolution;

- identify high-risk trends across those regulated industries;

- detect, understand and respond to behaviour that could potentially result in poor outcomes for consumers and markets;

- improve how we prioritise our resources towards higher-risk issues;

- make better and more timely decisions through improved access to, and use of, data;

- respond swiftly to government and public/media concerns;

- provide evidence to support policy change; and

- secure our data to ensure we meet our commitments to industry and other stakeholders.

Achieving our vision

The next few years will see significant change to the ways we capture, share and use data. We will achieve our vision by improving our data governance, enhancing data quality, expanding digitisation and ensuring our data is integrated, catalogued and accessible. Data sharing will be improved within ASIC, while maintaining data security and privacy.

We will provide an enhanced set of data management and analytics tools and expand data science skills across ASIC to ensure our staff have the skills, tools and data sets required to undertake their work.

Additionally, we will engage closely with industry and other regulators on data collection to ensure we only capture information we need in a manner that is clear and streamlined.

Target state principles

The achievement of our vision will be guided by a set of principles that describe our target state. These principles are underpinned by a number of actions, as outlined below.

Target state principles	Areas for action
We determine *our data needs:* ***Our needs for data are considered from individual team and ASIC-wide perspectives.*** More focus on determining our data needs will result in fewer bespoke requests for data.	We will: • embed the identification and management of data needs as operational capabilities within ASIC, to ensure that needs analysis is an ongoing, well-considered activity, rather than reactive and ad hoc; • drive continuous improvement in data reporting and analytics; • maintain a central repository of data requirements to prioritise data needs and eliminate duplication; and • ensure our Data Analyst Network and Data Champions Forum collaborate on the data needs of ASIC's teams and meet these with support from the Chief Data Office and the Strategic Intelligence and IT teams.

When we *capture data:*
 	
Data acquisition is coordinated centrally and traceable to a defined need.
 	
As much as possible, we collect data in the optimal format to use it most effectively.
 	
We make better use of the data provided to us.
 	
Where regulated entities already provide substantial amounts of data to us and other regulators, we endeavour to make better use of this data. For other sectors we regulate, we may collect more data on a recurrent basis in the future.
 	
This will not, however, limit our need to collect evidentiary information when we investigate potential wrongdoing.
	We will:
	
	• maintain a repository of our data assets and a register of current data exchanges;
	
	• align our processes for capturing, sharing and using data to minimise the impact on external stakeholders by:
	  – employing user experience design practices and principles in any external design activities;
	  – reviewing current data holdings before requesting new data; and
	  – where possible, consolidating and rationalising multiple requests for data from the same stakeholder;
	
	• acquire data via digital channels and/or in standardised digital forms where appropriate and feasible;
	
	• automate the validation, use and storage of data. This will significantly improve its quality by reducing human introduced errors;
	
	• work with industry, other government agencies and private providers to simplify and improve data exchange and acquisition processes where possible; and
	
	• regularly review the data we capture and how it is being used, and assess whether it continues to meet our needs.

Target state principles	Areas for action
When we *share data*: **We know what data we are sharing, we stipulate how others can access and share it, and we ensure it is appropriately managed and secured.**	We will: • continue to support data sharing within ASIC by better identifying our data needs, maintaining registers of our data assets and data exchanges, implementing enhanced search capability and developing and using a common language for our data; • collaborate with other government agencies, both nationally and internationally, to promote collaborative data sharing. This includes establishing and improving data exchange frameworks as required; and • share our findings and insights, including on industry trends and emerging issues, from analysis of the data sets we capture and use, with our regulated community and consumers.
We ensure we *use data* appropriately: **We know who is using our data and for what purpose.** We will optimise the use of our data to inform how we **detect**, **understand** and **respond** as a law enforcement agency.	We will: • apply advanced techniques to existing and new 'big data' sources through our data science lab; • establish management information dashboard reporting that will provide strategic insights into how we operate and ensure we focus our efforts on the areas of higher need; and • foster a culture of innovation through ongoing collaboration across our teams to identify new types, sources and uses of data to drive business innovation throughout ASIC.

Target state principles	Areas for action
The way we *manage data:* **Data is treated as an asset. Our data is catalogued, fit for purpose, high-quality and well-governed.** All of our data sets are stored in searchable, shared repositories, which have clearly identified owners. We always know what data we have, which helps inform our future data needs. We regularly review our data and we archive or dispose of data we no longer need.	We will: • implement our 'One ASIC' Regulatory Transformation Program and other data initiatives to enhance our data management capability; • implement a data science lab to pilot and test new data sets, as well as tools and processes for capturing, sharing and using data; • establish and maintain our data asset and data exchange registers to enable us to effectively capture, share and use data; • assign data owners to ensure accountable data ownership to strengthen our data management capability; • continuously apply our common language standards and enterprise data model to our key data holdings; • maintain the content of our databases to the highest standards of quality and integrity achievable given data sourcing and ownership challenges; and • determine retention periods for data we capture, and archive or dispose of data accordingly. Recurrent data collections will be reviewed periodically to ensure their ongoing usefulness.
On *data governance:* **We govern how we capture, share and use data through our Data and Information Governance Framework, Data Governance Council and Digital Governance Board.**	Our: • Data and Information Governance Framework specifies how data is managed and controlled across ASIC. This enables better quality and more timely decision making and greater security of our data assets; • Data Governance Council oversees the development, and has ongoing ownership of, our data strategy. The Council ensures data is governed consistently across ASIC to optimise the way we capture, share and use data; and • Digitial Governance Board oversees the infrastructure and technologies for data capture, sharing, storage and analysis, and funding for data projects.

Target state principles	Areas for action
National and international liaison: *We engage widely, nationally and internationally, to improve data management and analytics capability.* Where possible, we will share data management and analytics capabilities, techniques, processes and standards to enhance regulatory functions.	We will: • work with industry, other government agencies, international regulators and private providers to, where possible, simplify and improve data exchange and acquisition processes; • continue to participate on relevant interagency committees and communities of practice to improve our own data management capabilities and to contribute to the improvement of data management nationally; • promote an exchange of information and ideas on data management and analytics, and encourage discussions on recent developments in practices and techniques; and • work with stakeholders to establish new communities of practice where required.
We maintain *cyber security:* *We capture, share and use data in accordance with the Australian Government Protective Security Policy Framework and associated security policies.*	We will: • secure and manage the data we collect and create in line with expectations from industry sectors and in accordance with Australian Government security requirements; and • maintain appropriate cyber security controls.
We maintain *confidentiality and privacy:* *We capture, share and use data in accordance with legislation.*	• We will continue to ensure that all data we manage complies with our statutory obligations, including the privacy legislation and principles that are aimed at protecting personal information.
We support our *people and culture:* *We build staff capability in data management and analytics and foster a culture of innovation and continuous improvement.*	We will continue to: • recruit and train our staff in data management and governance, data analytics, data science and visualisation; and • train our people to effectively capture, share and use data.
Technology and supporting tools: *We use technology to capture, share and use data effectively.*	We will: • embed our data strategy through the effective use of technology; and • explore options for receiving and accessing data, including through the use of regulatory nodes using distributed ledger.

Target state principles	Areas for action
We report on progress: **We will review our progress and report on this annually.**	We will: • review our progress against defined measures for each target state principle and report on this annually; and • report on the changes we make to optimise how we capture, share and use data.