



ASIC

Australian Securities & Investments Commission

Parliamentary Joint Committee on Corporations and Financial Services – Opening statement by ASIC Chair James Shipton

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16 February 2018

Good morning Chair.

I am pleased to appear before the committee today for the first time as ASIC's Chair.

With me are:

- Deputy Chair Peter Kell, and
- Commissioners Cathie Armour and John Price.

As well as Senior Executive Leaders:

- Warren Day;
- Jane Eccleston;
- Laura Higgins;
- Greg Kirk;
- David McGuinness;
- Louise Macaulay;
- Doug Niven;
- Michael Saadat; and
- Sharon Concisom

Chair, with your permission, I would like to make some brief opening remarks.

First, it is a wonderful honour to lead ASIC, and to serve, alongside the impressive men and women of ASIC, the Australian community in this important role.

ASIC is an organisation that plays a crucial role for the Australian financial system, the economy and, importantly, the Australian people.

At the end of the day, every cent in the financial system is ‘other people’s money’. Not institutions or companies. These entities are merely veils for the real people that stand behind them: individual shareholders, investors, consumers and depositors.

And, because we are dealing with other people’s money, we must never forget that financial risks can, and often are, catastrophic to real people and can, at an extreme, cause human suffering. After all, it is *real* money to *real* people.

Chair, before I go on, I would like to acknowledge ASIC’s previous chair Mr Medcraft.

I know Mr Medcraft from my work with IOSCO and want to thank him for his leadership of ASIC until late last year.

Chair, I also wanted to thank Deputy Chair Kell, who has done an outstanding job as acting ASIC Chair between Mr Medcraft’s departure and my commencement.

I also want to thank Commissioners Armour and Price for their leadership during this transitional period for ASIC.

Chair, I want to recognise the important role of members of the Australian Parliament, especially via important committees such as this, in highlighting issues, developing policy and promoting reform.

In our democracy, Parliament is crucial in shaping the regulatory framework to align it with community expectations.

With this in mind, I want to highlight just a few of the many important reforms and proposals relevant to ASIC’s work that have started, or been refined, through inquiries by Parliamentary committees like this one:

- First, reforms to lift professional, ethical and competency standards among financial planners. These improvements should help build trust in the financial advice industry.
- Second, the review of ASIC’s enforcement regime, including expanded penalties for misconduct. For there to be appropriate accountability in the regulatory framework, penalties must be appropriate and ASIC’s enforcement toolkit should be as complete as possible. I look forward to further discussions about these issues following the release of the Enforcement Review Taskforce’s report.
- Finally, I want to mention this committee’s current inquiry into the life insurance industry. I know ASIC has been involved in the process, and we welcome the upcoming release of the final report.

Finally, I look forward to appearing before this committee going forward, and to having a productive engagement with all its members.

Thank you Chair. We look forward to the Committee’s questions.