



# Regulator Performance Framework: ASIC evidence metrics

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The Regulator Performance Framework (Framework) provides common performance measures to assess how Commonwealth regulators operate. The Framework is designed to assess only one aspect of a regulator’s performance—the extent to which it minimises regulatory burden in the course of fulfilling its other activities. It should be seen as only one component of the broader performance of regulators.

There are six mandated common outcomes-based key performance indicators (KPIs) that cover communication, risk-based and proportionate approaches, transparency, reducing regulatory burden, and continuous improvement.

Measures for assessing performance have been developed in consultation with stakeholders.

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## KPI 1: Regulators do not unnecessarily impede the efficient operation of regulated entities

### Framework measures of good regulatory performance

Regulators demonstrate an understanding of the operating environment of the industry or organisation, or the circumstances of individuals and the current and emerging issues that affect the sector.

Regulators take actions to minimise the potential for unintended negative impacts of regulatory activities on regulated entities or affected supplier industries and supply chains.

Regulators implement continuous improvement strategies to reduce the costs of compliance for those they regulate.

### ASIC evidence metrics

Stakeholder panels—including the External Advisory Panel, Directors' Advisory Panel, Market Supervision Advisory Panel, Consumer Advisory Panel, and Registry and Licensing Business Advisory Committee—meet regularly.

Feedback is published following 100% of formal consultation processes.

Stakeholder surveys are targeted and conducted regularly, and the results and ASIC's response are published.

ASIC's corporate plan, including environmental scan, is published annually.

ASIC attends relevant international meetings and participates in relevant committees to promote better coordination of regulatory activities internationally, participate in standard setting, and to learn from peer experiences and share best practice.

Peer review results are publicly reported against relevant international practices and standards when peer review is undertaken.

Relief is granted in response to applications where warranted to facilitate business, with 70% of applications for relief responded to within 21 days of receiving a complete application.

A relief report is published every four months on decisions about applications for relief.

ASIC complies with Office of Best Practice Regulation requirements, including preparing cost-benefit analysis in Regulation Impact Statements for significant regulatory changes.

## KPI 2: Communication with regulated entities is clear, targeted and effective

### Framework measures of good regulatory performance

Regulators provide guidance and information that is up to date, clear, accessible and concise through media appropriate to the target audience.

Regulators consider the impact on regulated entities and engage with industry groups and representatives of the affected stakeholders before changing policies, practices or service standards.

Regulators' decisions and advice are provided in a timely manner, clearly articulating expectations and the underlying reasons for decisions.

Regulators' advice is consistent and supports predictable outcomes.

### ASIC evidence metrics

Extensive guidance and information is available on ASIC's website.

Regulated entities are able to access the information they need on ASIC's website; this information is available in accordance with government accessibility guidelines.

ASIC publishes a service charter and reports against it, including explanations where standards are not met.

Policies and procedures about rights of review are published.

Call centre scripts are available for staff use for routine inquiries.

Stakeholder surveys are targeted and conducted regularly, and the results and ASIC's response are published.

The stakeholder survey specifically seeks feedback on the use and value of ASIC guidance and ASIC's responsiveness.

Complaint guidelines are published and kept up to date.

Complaints are addressed in accordance with complaint guidelines.

ASIC engages with industry, professional body representatives and consumer advocates to accurately target and extend communication efforts.

## KPI 3: Actions undertaken by regulators are proportionate to the regulatory risk being managed

### Framework measures of good regulatory performance

Regulators apply a risk-based, proportionate approach to compliance obligations, engagement and regulatory enforcement actions.

Regulators' preferred approach to regulatory risk is regularly reassessed. Strategies, activities and enforcement actions are amended to reflect changing priorities that result from new and evolving regulatory threats, without diminishing regulatory certainty or impact.

Regulators recognise the compliance record of regulated entities, including using earned autonomy where this is appropriate. All available and relevant data on compliance, including evidence of relevant external verification, is considered.

### ASIC evidence metrics

ASIC's corporate plan, including a summary of risk oversight and management systems, is published annually.

ASIC's approach to enforcement is published, which includes options for a graduated approach to compliance and enforcement.

ASIC publishes an enforcement report every six months about enforcement actions.

A documented, risk-based surveillance approach is available for staff use, with surveillances—including high-intensity surveillances—conducted using this approach.

ASIC publishes a Statement of Intent and a Statement of Expectations.

Relevant staff—including relevant new staff—are trained in risk management policies, processes and procedures.

ASIC regularly publishes reports to inform regulated entities of ASIC's approach and expectations.

Stakeholder panels—including the External Advisory Panel, Directors' Advisory Panel, Market Supervision Advisory Panel, Consumer Advisory Panel, and Registry and Licensing Business Advisory Committee—meet regularly.

Stakeholder surveys are targeted and conducted regularly, and the results and ASIC's response are published.

Consultation papers are clear about where market failures are or may be.

ASIC complies with Office of Best Practice Regulation requirements, including preparing cost-benefit analysis in Regulation Impact Statements for significant regulatory changes.

## KPI 4: Compliance and monitoring approaches are streamlined and coordinated

### Framework measures of good regulatory performance

Regulators' information requests are tailored and only made when necessary to secure regulatory objectives, and only then in a way that minimises impact.

Regulators' frequency of information collection is minimised and coordinated with similar processes, including those of other regulators, so that, as far as possible, information is only requested once.

Regulators utilise existing information to limit the reliance on requests from regulated entities and share the information among other regulators, where possible.

Regulators base monitoring and inspection approaches on risk and, where possible, take into account the circumstance and operational needs of the regulated entity.

### ASIC evidence metrics

Formal information requests to regulated entities are targeted and have regard to other formal requests for information.

Formal sign-off, involving senior staff and legal officers, precedes all formal requests.

ASIC undertakes joint surveillance where appropriate by reference to a case study.

Memoranda of understanding with peer regulators, detailing coordination approaches, are published where appropriate.

ASIC uses data from other sources where appropriate by reference to a case study.

Stakeholder surveys are targeted and conducted regularly, and the results and ASIC's response are published.

ASIC's published approach to enforcement includes a graduated approach to compliance and enforcement.

A documented, risk-based surveillance approach is available for staff use, with surveillances—including high-intensity surveillances—conducted using this approach.

## KPI 5: Regulators are open and transparent in their dealings with regulated entities

### Framework measures of good regulatory performance

Regulators' risk-based frameworks are publicly available in a format which is clear, understandable and accessible.

Regulators are open and responsive to requests from regulated entities regarding the operation of the regulatory framework, and approaches implemented by regulators.

Regulators' performance measurement results are published in a timely manner to ensure accountability to the public.

### ASIC evidence metrics

ASIC's corporate plan is published annually.

ASIC's approach to enforcement is published.

ASIC publishes an enforcement report every six months about enforcement actions.

ASIC's Annual Report is published and includes reporting against the corporate plan and service charter, including explanations where outcomes or standards are not met.

ASIC's self-assessment report and external validation of the Regulator Performance Framework are published annually.

Extensive guidance and information is available on ASIC's website.

ASIC publishes a relief report every four months on decisions about applications for relief.

Stakeholder surveys are targeted and conducted regularly, and the results and ASIC's response are published.

The stakeholder survey specifically seeks feedback on openness and transparency in dealing with regulated entities.

Consultations are open for at least eight weeks for major new policy where possible, with user testing of proposals where appropriate.

Consultation papers are published for major new policy, with clarity about where market failures are or may be.

New or revised ASIC guidance provides for reasonable transition periods where possible.

Feedback is published following 100% of formal consultation processes.

## KPI 6: Regulators actively contribute to continuous improvement of regulatory frameworks

### Framework measures of good regulatory performance

Regulators establish cooperative and collaborative relationships with stakeholders to promote trust and improve the efficiency and effectiveness of the regulatory framework.

Regulators engage stakeholders in the development of options to reduce compliance costs. This could include industry self-regulation, changes to the overarching regulatory framework, or other strategies to streamline monitoring and compliance approaches.

Regulators regularly share feedback from stakeholders and performance information (including from inspections) with policy departments to improve the operation of the regulatory framework and administrative processes.

### ASIC evidence metrics

ASIC uses a variety of media and direct channels to convey information to all stakeholders.

ASIC holds regular meetings with key stakeholders—including industry, professional body representatives, consumer advocates and small business—through internal contact points.

ASIC holds an Annual Forum.

ASIC seeks input on and delivers measures to improve the administration of the regulatory framework.

Where appropriate, ASIC identifies and proposes opportunities to improve the regulatory framework, including as a result of any post-implementation reviews.

ASIC provides advice to the Minister and to Treasury concurrently.

ASIC formally meets with Treasury (ASIC–Treasury liaison) regularly.