

28 June 2017

Mr Andrew Fawcett  
Senior Executive Leader, Strategic Policy  
Australian Securities and Investments Commission  
GPO Box 9827  
MELBOURNE VIC 3001

Dear Mr Fawcett

### **Submission on ASIC's proposed Regulator Performance Framework**

Thank you for the invitation to provide feedback in relation to the proposed new metrics to measure ASIC's performance against the Regulator Performance Framework (RPF).

We are making this submission as the professional body representing registered liquidators, who make up a small part of ASIC's regulated population.

#### ***Relevance of metrics and assessment process***

Our general comment is that we find it difficult to determine the relevance of the metrics for our regulated population. The metrics and KPIs are assessed widely on the entirety of ASIC's regulated population, making it somewhat irrelevant to a small discrete population such as registered liquidators. We raised concerns to this effect when we responded as part of the self-assessment process at the end of 2016.

We continue to see this as the most significant issue with this process.

We do not believe that this issue is one that only faces registered liquidators. The diversity of ASIC's regulated populations means that meaningful reporting and assessment of performance is only possible if:

- the metrics for the KPIs include metrics that are directly relevant to each regulated population, and
- ASIC assesses its performance separately in relation to each of its regulated populations.

It is difficult for an accurate assessment of performance to be made if the same metrics are set for the whole population and performance is assessed only on a holistic basis.

With the move towards industry funding, with each regulated population having its own cost recovery formula, it would seem logical that the next step is the assessment of ASIC’s performance both holistically and on a regulated population basis. This would enable the assessment of performance in relation to a regulated population in conjunction with the assessment of the cost of the regulation of that population.

**Assessment of metrics**

When assessing the appropriateness of the proposed metrics, our general comment would be that the metrics require an action to be taken, but they do not assess the appropriateness of the action to achieve the key objective.

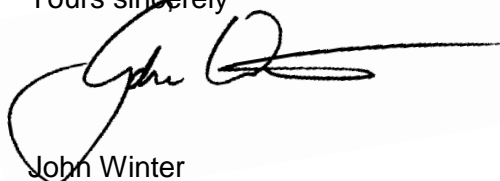
We give the following as an example in relation to *KPI3: Actions undertaken by regulators are proportionate to the regulatory risk being managed*:

|  |   |
|--|---|
| <p>3.2.1 ASIC’s approach to enforcement is published, which includes options for a graduated approach to compliance and enforcement.</p> | <p>This metric requires ASIC to publish its approach to enforcement, which it does by way of Information Sheet 151. However, there is no assessment of whether the information published reflects current regulatory approach or whether regulatory action during the year is in compliance with the published regulatory approach.</p> |
|--|---|

We suggest that to improve the self-assessment process, the metrics need to be expanded and enhanced to include metrics which require an assessment of the appropriateness of the action taken.

Should you wish to discuss any aspect of this submission, please contact Ms Kim Arnold, ARITA’s Policy and Education Director, on 02 8004 4340.

Yours sincerely



John Winter  
Chief Executive Officer