

28 June 2017

Adam Coleman
Senior Manager, Strategic Policy
Australian Securities and Investments Commission

Via Email: adam.coleman@asic.gov.au

Dear Mr Coleman

Submission on changes to ASIC's performance metrics under the Regulator Performance Framework

Thank you for the opportunity to provide a submission on the proposed changes to ASIC's performance metrics under the Regulator Performance Framework (RPF).

The Australian Institute of Company Directors (AICD) is committed to excellence in governance. We make a positive impact on society and the economy through governance education, director development and advocacy. Our membership of more than 40,000 includes directors and senior leaders from business, government and the not-for-profit sectors.

We understand that the primary changes to the ASIC performance metrics under the RPF include:

- Grouping related key performance indicators together;
- Rationalising the evidence metrics so that each metric is only listed once; and
- Amending those metrics which reflect specific ASIC processes which have since changed.

The AICD is supportive of the grouping of related key performance indicators (KPI) in order to rationalise the evidence metrics so that each metric is only listed once. We consider that KPI 2 and KPI 5 work well grouped together, due to the relationship to communication initiatives. We also consider that KPI 3 and KPI 4 work well grouped together, given they relate to regulator action on regulated entities. However, we do not consider that KPI 1 *Regulators do not unnecessarily impede the efficient operation of regulated entities* and KPI 6 *Regulators actively contribute to continuous improvement of regulatory frameworks* have a natural grouping in a similar way to the other grouped KPI's and therefore query their proposed grouping.

We support the proposed new evidence metrics included in the RPF (2.1.1 and 2.1.2). We also support the deletion of some of the evidence metrics since they are included in other metrics (within KPI 6 and KPI 2). We note that there are also several amendments to the current evidence metrics. The only changes to current evidence metrics that we consider require further review are the ones dealing with the situation of ASIC seeking feedback (1.1.2, 2.1.6 and 2.3.4). We consider that the proposed metrics are very broad and we would like to see these detail how often feedback is sought and how it is sought.

**AUSTRALIAN INSTITUTE
of COMPANY DIRECTORS**

For example, the current metric discusses 'stakeholder surveys' whereas the proposed metric generally discusses 'feedback'.

With the introduction of the Industry Funding model and the recovery of 'efficient costs', we believe a useful evidence metric would be how ASIC determines efficiency, which could be incorporated under KPI 4 *Compliance and monitoring approaches are streamlined and coordinated*. We would encourage consideration of benchmarking of ASIC's determination of its costs, against equivalent regulatory bodies operating in similar jurisdictions.

We hope our comments will be of assistance to you. If you would like to discuss any aspect of this submission, please contact Kerry Hicks, Senior Policy Adviser, on (02) 8248 6635 or at khicks@aicd.com.au.

Yours sincerely



LOUISE PETSCHLER
General Manager, Advocacy