

DIGITAL AND DATA

September 2022

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DIGITAL:

Key Messages

- The move of The ASIC Registry Business to the ATO and the rapid changes in the digital landscape has provided a unique opportunity to review the way in which ASIC delivers its regulatory business.
- The recent FRAA review recommended that “ASIC requires a substantial uplift to its data and technology capability, which will involve cultural change”.
- We have developed a high-level Digital Strategy with a Vision for ASIC to become a leading digitally-enabled, data-informed regulator by 2030.
- We are working with KPMG to develop a first pass Business Case which will provide the costings and program of work required to deliver our Vision.

Background

- The current approach to delivering digital applications within ASIC is largely tactical and is limited by funding, short delivery timeframes and integration with legacy systems.
- As noted by the recent FRAA review, ASIC requires a significant funding uplift to utilise digital technologies to continue to effectively govern a digitally mature and innovative industry. We are working with the Treasury Department on funding options.
- In August 2022, ASIC finalised our Digital Strategy which was developed in consultation with Treasury, Prime Minister and Cabinet (PM&C) and the Digital Transformation Agency (DTA).
- ASIC aims to be a digital regulatory agency where technology is exploited to:
 - a. Deliver a simple, streamlined interface to those we do business with, making it as easy as possible to comply with the law
 - b. Leverage automation to ensure ASIC staff are focussed on the activities that add value and enrichment and reduce our processing
 - c. Improve the efficiency and effectiveness of how we regulate to achieve faster and better regulatory outcomes, expanding our use of machine learning technologies to highlight the important data
 - d. Expose our rich data sets to enable cross agency and international collaboration and provide publicly appropriate data to third parties for research and innovation enabling the potential creation of new business models

- e. Ensure our digital assets and the data we hold on behalf of those we regulate is kept secure in a rapidly changing cyber security landscape
- Our Digital Strategy identifies three tranches of initiatives for delivery from now until 2027. The first tranche, which is self-funded, will include uplifting our licencing systems to simplify the application process and reduce the assessment time, improving our internal efficiencies through rapid automation, uplifting our internal capability and redesigning our external online experience to enable integrated and seamless integrations across our website and services.
 - We have developed several tactical solutions and proofs of concept which address specific regulatory requirements (for example we have developed sophisticated algorithms to identify potential insider trading ring identifying personal and business connections of suspicious trades, we have used Natural Language Processing (NLP) and Machine Learning to automate the first review of the 7,000 Insolvency Declaration of Relevant Relationships and Indemnities (DIRRI) PDFs we receive each year and through the Business Research and Innovation Initiative (BRII) grant process we are currently working with RegTech companies to prototype a technology solution to help ASIC analyse corporate disclosures and other datasets to identify and assess compliance by listed companies).

DATA:

Key Messages

- ASIC's Corporate Plan contains numerous examples of ASIC's commitment to uplifting its Data and Analytic capabilities, specially calling out "Enhancing and effectively utilising our data and cyber resilience capabilities in fulfilling our regulatory mandate and organisational priorities" as a key focus.
- The recent FRAA review recommended that "ASIC requires a substantial uplift to its data and technology capability, which will involve cultural change".
- ASIC has developed, is executing against and is now in year 2 of the ASIC Data Strategy 2021-2026 supporting both the Corporate Plan objectives and the FRAA recommendations,
- ASIC Data Strategy has already delivered significant capability uplift with the implementation of ASIC Data Lake - a modern data platform supporting all ASIC data initiatives; establishment of a mature Data Governance framework and the execution of multiple reporting and analytic data solutions which are driving efficiency and better regulatory outcomes for ASIC and our stakeholders.

Background

- ASIC has developed a multi-year Data Strategy which was endorsed by Exco and Commission in March 2021. The strategy addresses the following areas:



- The case for change in advancing ASIC's data and analytics capabilities
 - The Data Office value proposition and measures of performance
 - ASIC's current data-related needs and priorities
 - Prioritised roadmap of use cases that will drive long term value
 - The investment roadmap for the Data analytics for the next 5 years.
- A current state assessment of ASIC data capabilities highlighted that we are doing some things well, but there is a big opportunity to improve. We are on par or a little ahead of government generally, but well behind the Financial Services Industry which is our regulated population.
- Key elements of our vision of "what good looks like" are:
 - Fully automated reporting and data processing
 - Adoption of Artificial Intelligence (AI) and Machine Learning (ML) algorithms helping alert and prioritise harms for regulatory teams to execute on
 - Ensuring Safe, Secure, Ethical use of data across ASIC
 - Bring more relevant data into ASIC
 - Implementing Modern and Cost-effective data technology.
- A key deliverable for the Data Strategy is the costed roadmap made up of 20+ individual work packages that address specific ASIC use cases and will each deliver tangible and sustainable capability uplift.
- In year 2 of the five-year roadmap of ASIC Data Strategy, the following initiatives are funded and prioritised in FY2022/23:
 - Recurrent Data Collection – Internal Dispute Resolution (IDR) Data which will be provided from January 2023, and AFSA Bankruptcy data using application program interface (API)
 - Regulatory Data Repository (RDR) uplift to bring CRM case data into the Data Lake
 - Data Literacy and Change Adoption program for ASIC staff
 - CDAO Operating Model uplift which will enhance ability to capitalise on data and analytics for data-driven decision-making
 - Data Movement – migrating key data sets to the Data Lake
 - Data Security uplift for Data Lake – which will support row and column level security on data assets
 - The Rapid Value Factory – which is a pipeline of work focused on executing and implementing data/analytic quick wins for ASIC regulatory and functional teams.