Financial Regulator Assessment Authority (FRAA)

January 2023

Contact	Senior Executive Leader	Executive Director
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Key Messages

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- As acknowledged in the report, ASIC already has a number of initiatives underway that align with the FRAA's recommendations, and we will continue to implement the FRAA's recommendations in our work.
- We will always be committed to ongoing improvement of our effectiveness and capability to become an even stronger regulator.
- We engaged productively with the FRAA members and secretariat to help build their understanding of what we do and how we do it.

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ASIC Action

- ASIC has several initiatives underway to address the FRAA's recommendations. Some of these were outlined our Corporate Plan and some acknowledged in the FRAA's report. We will continue to implement the FRAA's recommendations in our work as well as track our progress, noting that the FRAA will review our progress in its next review.

Data and digital

- We are implementing *multi-year data and digital strategies* that focus on uplifting ASIC's technology systems and data capabilities to increase efficiency and effectiveness, support innovation and improve user experience for stakeholders.
- This has commenced with the *upgrade of ASIC's licencing systems* to speed up processing of licence applications, and also integrating guidance materials into the portal to consolidate the information into one place.
- ASIC will continue to engage with Government on its data and digital strategies.
- Refer to the **'Data and Digital' brief** for further information on actions.

People

- We are implementing a *multi-year people strategy* to help deliver ASIC's organisational priorities. This includes defining ASIC's workforce strategy to identify future demands and build a future fit workforce that is equipped with a broad skill set, including skills to harness the benefits of ASIC's technology and data commitments and to enhance our communication with stakeholders.
- A *new Head of Talent and Workforce Strategy* was appointed in October 2022. A key priority for them will be to develop the ASIC-wide Workforce Strategy.

Stakeholder engagement

- We are implementing *regulatory efficiency initiatives* to make changes to the way ASIC administers the law and to make it easier for stakeholders to interact with ASIC. The first initiative is focused on enhancing the development and maintenance of our regulatory guidance. The second initiative is focused on enhancing practices in ASIC's information gathering activities and piloting planning meetings at the start of investigations. The third initiative will look at ways ASIC can enhance and leverage engagement with stakeholders clearly and consistently, involving a case study focused on how ASIC engages with licensing applicants and their advisers. Refer to the '**Regulatory Efficiency Unit' brief** for further information on actions.
- In this year's *Corporate Plan*, we have highlighted our key projects and initiatives to provide further clarity to our stakeholders on what we are focused on.
- ASIC published its specific *enforcement priorities* for 2023 on 3 November 2023. These priorities communicate ASIC's intent to industry and stakeholders, and give a clear indication of where ASIC will direct its resources and expertise.

Performance measurement

- We are taking steps to enhance how ASIC measures and reports on its effectiveness and capability. ASIC will continue to monitor these approaches and refine them over the following years. ASIC will also work with the FRAA on the development of indicators and metrics of effectiveness and capability.
- We have been developing and applying an *impact assessment methodology* to a selection of our key projects. We identify at the outset the specific harm that the project seeks to address, and any metrics which indicate the scale or prevalence of that harm. We then undertake the project, and intervene using one or more of our regulatory tools. We then reapply those metrics to determine whether there has been change, whether directly in terms of reduced levels of the identified harm or more indirectly, for example, through changes to the business practices identified as contributing to the harm.
- We are also piloting *efficiency measures* for our ongoing regulatory work, comprising time and cost measures. This work will better inform operational and management decisions and increase transparency and accountability. Ultimately, and where appropriate, we intend to expand on our public reporting on the efficiency of our activities once we have established suitable baselines and targets.
- We will pilot the FRAA's suggestion that we measure the quality of licensing decisions by assessing reports of misconduct on recently granted licences and AAT reviews. We will also consider the use of AFCA complaints and regulatory actions, including enforcement outcomes, bannings and surveillances. We note that use of this data would need to be accompanied by

contextualisation to mitigate issues with attributing any subsequent compliance issues to a point in time licensing decision.

Other

- We are focusing more and more on planning over the longer term, developing priorities with a long-term focus to guide our actions over the next four years to better address emerging trends and issues, plan for more effective outcomes, and ensure we have the capabilities we need to support our ambitions.