

Senate Economics Committee

ASIC Chairman Greg Medcraft

Opening Statement

26 October 2017

611 words – 6 minutes

- Good morning Chair.
- I am pleased to appear before the committee today.
- Chair, this is my last appearance before this committee and I wanted to make some brief general remarks.

PAUSE

- First, I want to acknowledge Minister O'Dwyer's appointment last week of Mr James Shipton as the next ASIC Chair.
- I know Mr Shipton from his roles at Goldman Sachs and then at Harvard University. He has broad experience in law, banking, academia and as a regulator in Hong Kong.
- The role of chair of ASIC is critical for ensuring ASIC is pro-active, forward looking, courageous and independent

PAUSE

- Chair, I am not going to give the committee an exposition on my past six and half years. I will leave that to others.

- However, I would like to table a document outlining some enforcement statistics over the six years to 30 June 2017.
- These are important numbers that show ASIC is the tough cop on the beat and that, where we see consumers getting a raw deal, we take action.
- And quite frankly, Australians expect nothing less of us.

PAUSE

- A critical issue I have highlighted during my term is the importance of culture for maintaining trust and confidence.
- Clearly, this is a big issue for firms and something we continue to be focused on. It is a work in progress.
- While setting the right 'tone from the top' is a good start, firms need to make sure this is supported by appropriate internal controls and frameworks.
- Very often, when ASIC finds poor conduct or consumer outcomes, we also find that failings in conduct risk management have contributed to the misconduct, or have prevented early detection of the problem.
- In addition to considering compliance with the law, firms may need to think about whether there are appropriate controls to consider 'harmful but legal conduct'. This conduct can also erode consumer trust and confidence, and very often will be where policymakers turn their attention to next.

PAUSE

- Chair, I would next like to thank this committee for its constructive engagement with ASIC over my time as Chairman.
- I would like to recognise the Senators - past and present - that have been members of this committee for their interest in ASIC and their careful questioning of what we do.
- I particularly want to acknowledge Senator John Williams, who over my time at ASIC has been the one parliamentarian with whom we have had a continual engagement.
- Senator Williams has been a vigorous parliamentarian and has certainly held ASIC to account via this and other committees.
- At times it has been robust and but always entirely appropriate. You are doing the job you were elected to do.
- We do much preparation for these appearances and present a number of ASIC officers to answer the committee's questions.
- We do this because ASIC takes its accountability to the parliament very seriously.

PAUSE

- Chair, I would lastly like to acknowledge the men and women who work at ASIC.
- I make special mention of my fellow commissioners and the senior executive leaders here today.
- Ours is not always an easy job but we all work at ASIC 'For Good Reason' and that reason is because we believe in the public interest.

- I think ASIC's staff are its greatest asset and, in fact, they are some of the finest people with whom I have worked. They are hard-working, diligent and committed.
- To the ASIC workforce who might be listening now, I say thank you. You should be rightly proud of the work you do and the contribution you make.
- It has been a real honour to work with you all.

PAUSE

- Chair, we are now happy to take your questions.

ENDS