



ASIC
Australian Securities &
Investments Commission

Senate Economics Legislation Committee Supplementary Budget Estimates ASIC Chair Joe Longo

OPENING STATEMENT 7 November 2024

I am pleased to appear before the Committee once more. I am joined today by Deputy Chair Sarah Court, and fellow Commissioners Kate O'Rourke, Alan Kirkland and Simone Constant, as well as CEO Greg Yanco, Executive Director Enforcement and Compliance Chris Savundra and Chief Financial Officer Peter Dunlop.

ASIC's transformation journey

As this is our last Estimates hearing for this year, it would be timely to provide a brief update for the Committee on ASIC's transformation since I commenced as Chair in 2021.

Over the past three years we have been deliberate in our approach to transform ASIC into a modern, confident and ambitious regulator.

Our progress can be measured by the way we have systematically implemented the recommendations of the Financial Regulator Assessment Authority's 2022 report on the review into ASIC's effectiveness and capability.

Our transformation has included the most significant organisational redesign of the agency in 15 years – resulting in better collaboration across teams and quicker times for matters to progress to enforcement and compliance action.

As a result of this work, we are better placed to respond to the rapidly changing domestic and global market including increased market volatility, advances in AI, data and cyber risks and the flow of capital from public to private markets.

We must continually review, transform, and improve how we focus our efforts for greatest impact.

Recent inquiries

The FRAA's four broad recommendations related to a substantial uplift in ASIC's use of data and technology, better stakeholder engagement, measuring effectiveness and capability and broadening our mix of skill sets,

This work is closely aligned with our vision and our priorities.

Many of these recommendations are consistent with what we have heard from our stakeholders over this time and the work of a number of parliamentary inquiries

which have appropriately sought to ensure the role we are performing is having an impact.

These inquiries include ASIC's powers in relation to insurers and claims handling, the ASX CHESS replacement program and the professional services industry.

We always welcome parliamentary scrutiny as a key mechanism for driving continuous improvement and transformation.

I want to take this opportunity to acknowledge stakeholder contributions to each of these inquiries – they reflect a deep interest in ensuring ASIC is equipped to be the best it can be.

We have listened carefully at what has been said and acknowledge there are further areas we need to address.

FRAA recommendations

I'm pleased to report we have implemented 19 of the FRAA's 22 areas for improvement.

Some key initiatives now embedded in our operations and contributing to ASIC being a more effective regulator include:

- innovative new surveillance systems
- enhanced data capabilities for strategic planning
- a program of more quality engagement with our stakeholders – being led by the Commission; and
- a revamp of our strategic planning process to include longer-term priorities.

There are three initiatives that remain our highest priority relating to people, data and technology, and impact assessment.

In our transformation we have made significant progress in these three areas. These are critical, long-term initiatives that require ongoing effort to fully embed.

The future

I am optimistic about ASIC's future.

A transformation of this scale has had some short-term impacts, but as a result of the efforts of our people and the renewal that has occurred at Commission and executive level, we are well placed for the next phase.

ASIC's mission to be a modern, confident and ambitious regulator is being borne out in a number of regulatory firsts and the enforcement action we have taken in recent months against some of Australia's largest corporations and institutions.

In addition, we have protected vulnerable Australians from harm through our scams work, and our Better Banking report which resulted in \$28 million being refunded to

consumers including First Nations consumers, and more than 200,000 customers being moved into low-fee accounts.

These are matters we'd be happy to discuss in greater detail today.

Sustainability reporting regime

Before I conclude, Chair, I wanted to mention that ASIC will today release the draft regulatory guide on the sustainability reporting regime for consultation with stakeholders.

I've been saying for some time - environmental, social and governance issues are driving the biggest changes to financial reporting and disclosure standards in a generation.

The draft Regulatory Guide is therefore an important document for entities who will need to prepare an annual statutory sustainability report as it sets out their obligations and how ASIC will administer the new requirements.

We encourage stakeholder feedback on the draft guide.

We look forward to answering the Committee's questions.