



<b>Committee</b>	Parliamentary Joint Committee on Corporations and Financial Services
<b>Inquiry</b>	Oversight of ASIC, the Takeovers Panel and the Corporations Legislation No.1 of the 46th Parliament
<b>Question No.</b>	024
<b>Date</b>	26 November 2021
<b>Topic</b>	ASIC's data lake and comparison with partner agencies
<b>Reference</b>	Spoken, 26 November 2021, Hansard page 49
<b>Committee member</b>	Senator O'Neill

## Question

**Senator O'NEILL:** Okay. So you're pushing the boat out ahead of the pack, in some ways? Or at least you're doing it competitively?

**Mr Day:** In the earlier question in conversation before, I think Mr Hill put some questions that were seemingly concerned about being the first mover in some industries. This is not first mover; this is, effectively, what we think is the right and best practice in this space, and so we are, if you like, keeping up well with industry in this respect and we're quite proud of what we've done there.

**Senator O'NEILL:** Is there an international comparator? Or are there partner agencies in other jurisdictions that you've taken info from?

**Mr Day:** There are certainly other agencies that are moving this way, domestically. And we, obviously, keep regular communications with all of our international counterparts and peers in this space. In terms of how that compares, I might take that on notice, Senator, and provide you with some answers about that.

**Mr Longo:** And, Warren, just to complete that answer: I'm very proud of the fact that we've chaired the international committee on data, where Jo Harper, our chief information officer has done some excellent work in the last two years. I have to say that the key priority for me for the future of the agency is that we're data enabled, and we've got to get digital. We will become, not irrelevant, but it will be very difficult to do our job properly if we don't get this subject right. You've really touched on something I feel very strongly about. But we've got some very good people internally, and the commission is very focused on this digital aspect of our infrastructure.

## Answer

### Comparison with other domestic and international agencies

- Peer agencies we connect with regularly include APRA, ATO, AUSTRAC, RBA Treasury - they sit on the Multi Agency Working Group (MAWG) and its steering group MADC, along with ABS APRA ATO. There are a lot of agencies on the Data Management Community (DMC) - ACCC, Services Australia, Home Affairs - they are the core agencies (along with ASIC, APRA, AUSTRAC, ATO). From our conversations with as well as their public statements, they are all treating the development of the data and analytics capabilities as a priority.
- We have regular engagement with local and international peer regulators through a number of both formal forums as well as informal meetings and best practice sharing sessions. International regulators we connect with regularly include: FCA, MAS, SEC etc.
- Internationally we are a little behind organisations like FCA, MSA and SEC who have data lakes in place and are actively developing Artificial Intelligence (AI) and Machine Learning (ML) at scale, while locally we are potentially a little ahead due to a focus over the last year which has seen us implement our data lake, begin to populate it with data and operationalise the first of what we hope will be many advanced data and analytics solutions.

- ASIC's Market Supervision system and data analytics capabilities, however, are world class. The Market Group also recently upgraded its Markets Assessment and Intelligence (MAI) system and continues to enhance its data analysis capabilities.
- The Markets Group will continuously leverage the latest algorithms (including AI / ML / NLP) spanning our scope of work from evidence-based policy making to surveillance and enforcement.
- ASIC have also engaged with other government agencies and various data providers to compile more comprehensive data sets to enhance our monitoring efforts and ensure the integrity of Australian financial markets.

### **Benchmarking with International data**

The EDM Council's Data Management Capability Assessment Model (DCAM) was used to benchmark ASIC's Data & Analytics maturity against peer organisations. DCAM's 2020 Global Benchmark assesses the relative maturity of Government and Financial Services organisations, providing a sound basis for comparing ASIC's maturity.

This model has six maturity levels: 1- Not Initiated; 2 – Conceptual; 3 – Developmental; 4 – Performed; 5 – Achieved; 6 - Enhanced

The following Data Management capabilities are compared:

- Data Strategy & Business Case
- Data Management Program & Funding
- Business & Data Architecture
- Data & Technology Architecture
- Data Quality Management
- Data Governance
- Data Control Environment

The average maturity score of Global Public Service Organization of 2020 data was 2.41.

The average maturity score of ASIC as of 2020 was 3.

This demonstrated ASIC's data analytics investments are heading in the right direction.