

3 March 2022

Senate Standing Committees on Economics
PO Box 6100
Parliament House
Canberra ACT 2600

Via email: economics.sen@aph.gov.au

Dear Committee Secretary

Australian Securities and Investments Commission investigation and enforcement

Thank you for the opportunity to provide a submission to the Senate Economics References Committee (**Committee**) on its inquiry into the capacity and capability of the Australia Securities and Investment Commission (**ASIC**) to undertake proportionate investigation and enforcement action (**Inquiry**).

The Australian Institute of Company Directors' (**AICD**) mission is to be the independent and trusted voice of governance, building the capability of a community of leaders for the benefit of society. The AICD's membership of 50,000 reflects the diversity of Australia's director community, comprised of directors and leaders of not-for-profits (**NFPs**), large and small businesses and the government sector.

ASIC has a critical role as the regulator of Australia's overall corporate governance, market integrity and financial services framework.

The AICD and its members support a strong, effective and appropriately resourced corporate regulator.

The AICD has contributed to inquiries over recent years relating to ASIC's capability and capacity. These reviews include the recent Financial Regulator Assessment Authority (**FRAA Review**) and the Hayne Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (**Hayne Royal Commission**).

We encourage the Committee to have regard to the findings and recommendations of these inquiries, as well as reviews of ASIC through other Parliamentary Committee oversight (including the recent Senate Estimates process through the Senate Economics Legislation Committee, and established oversight of ASIC through the Parliamentary Joint Committee on Corporations and Financial Services) in conducting this additional inquiry.

1. Executive Summary

Given the focus of the AICD, we have concentrated our response to this Inquiry on issues that are particularly relevant to corporate governance and directors.

Our key contributions are:

- ASIC's enforcement approach and activities have strengthened since the Hayne Royal Commission, in the AICD's view. However, the AICD considers that there are structural limitations impacting ASIC that, if addressed, would enhance ASIC's ability to meet its broad remit and expectations of the community, regulated population and government;

- Market integrity and disclosure are areas of the law where ASIC's approach to enforcement and role as the conduct regulator could be better clarified and enhanced. In the AICD's view, breaches of continuous disclosure laws and misleading and deceptive conduct provisions (including emerging areas such as climate disclosures) are matters that involve significant public interest. There is a reasonable expectation that the corporate regulator should play an active enforcement role on these issues, rather than private litigants;
- The range of enforcement mechanisms available to ASIC are, in the AICD's view, appropriate. We also consider regulator discretion essential to enable system-wide and specific policy and public interest considerations to be factored into enforcement. That said, an over-reliance on negotiated outcomes and in particular, infringement notices, at the expense of civil and criminal actions should be avoided where clarity on the law and visible deterrent effects are relevant considerations;
- ASIC's remit is extensive and appears broader than any other similar conduct authority globally. ASIC's workload has continued to expand since the Hayne Royal Commission with increased activity in corporate governance and market conduct issues. The AICD would be willing to contribute to future consideration of ASIC structure and remit. In the interim, it is critical that ASIC's resourcing and funding increases commensurately to account for the breadth and depth of its regulatory activities and enforcement priorities; and
- The AICD considers that changes to ASIC's governance structure could improve accountability, performance, culture and strategic oversight. We have previously proposed the introduction of a board structure comprising a majority of non-executive, independent directors, including the existing ASIC Chair. This could provide a clearer delineation between the Commission's executive and non-executive responsibilities and help bring important external perspectives to the regulator.

2. General comments

The AICD supports strong and proactive enforcement by regulators. To protect public interest, achieve deterrence and engender community confidence in Australia's financial system, it is critical that ASIC effectively uses the range of enforcement mechanisms in its regulatory toolkit. Indeed, one of ASIC's objectives is to 'take whatever action it can take, and is necessary, in order to enforce and give effect to the laws of the Commonwealth'.

Critically, ASIC's expectations of its regulated population should be clear, providing the market to operate with confidence, especially in emerging areas of risk or concern.

We note that ASIC's approach to enforcement has been the subject of close scrutiny in recent reviews including:

- **Hayne Royal Commission:** Commissioner Hayne was critical of ASIC's approach to enforcement in the Hayne Royal Commission. Evidence presented during hearings demonstrated that ASIC's enforcement practices had not been sufficient to achieve deterrence. Commissioner Hayne's key findings and recommendations ultimately resulted in the adoption of ASIC's 'why not litigate' posture in 2018 and establishment of its Office of Enforcement in 2019. Notably, Commissioner Hayne commented in his Final Report that ASIC's progress in reforming its enforcement function should be closely monitored and a specialist civil enforcement agency separate to ASIC be established "*if, over the coming years, it becomes apparent that ASIC is not sufficiently enforcing*

the laws within its remit, or if the size of its remit comes at the expense of its litigation capability...".¹ and

- **2015 ASIC Capability Review:** a number of areas for improvement were highlighted in the 2015 ASIC Capability Review, including noting that there was a perception that ASIC's selection of cases for litigation could be risk averse (tending to prefer cases with a higher probability of success, rather than selecting cases that have strong merits, and also allowed ASIC to test the bounds of the law).²

Since this time, the AICD has observed a more active ASIC enforcement stance. In 2021–22, ASIC completed 61 civil actions (up from 37 in 2019-20). Hayne Royal Commission litigation has continued to be a core focus for ASIC. Last year ASIC filed its final civil proceeding and in total, ASIC brought 24 civil and criminal actions based on matters raised at the Royal Commission.

There are, however, structural limitations facing ASIC, that if addressed, could enhance its ability to deliver on both government and community expectations. We comment specifically on ASIC's remit, resourcing and governance model at Sections 4 and 5 of this submission.

In addition, we consider that there are areas of law where ASIC's approach to enforcement and role as the conduct regulator could be better clarified and enhanced. In particular, we highlight breaches of continuous disclosure laws and misleading and deceptive conduct provisions, including as they relate to emerging risk areas such as climate reporting.

There is a legitimate question to be asked as to why private actions (selected by lawyers and litigation funders based on commercial not public interest imperatives) are needed to enforce continuous disclosure laws, noting that ASIC already has significant enforcement powers.

A central tenet of ASIC's approach to enforcement action is the selection of matters that involve significant public interest and where testing or clarifying important legal obligations will benefit market participants.³ Accordingly, we consider these are areas that warrant clearer guidance on ASIC's expectations of organisations and their officers, backed up by appropriate and consistent regulatory enforcement action rather than relying on private action to enforce the law. We comment in further detail in Section 3 on Australia's facilitative class actions landscape and options to promote greater public enforcement of market disclosure obligations by ASIC.

3. Efficient market outcomes and regulatory action

Terms of Reference

- a. The potential for dispute resolution and compensation schemes to distort efficient market outcomes and regulatory action;**
- b. The balance in policy settings that deliver an efficient market but also effectively deter poor behaviour;**
- c. Whether ASIC is meeting the expectations of government, business and the community with respect to regulatory action and enforcement;**

¹ Final Report, *Royal Commission into Misconduct in the Banking Superannuation and Financial Services Industry*, Volume 1, (2019), p.431 (accessible [here](#)).

² *Fit for the future: A capability review of the Australian Securities and Investments Commission: A Report to Government*, December 2015, 99.

³ ASIC Information Sheet 151, ASIC's approach to enforcement, available [here](#).

Australia's securities class actions landscape and third-party litigation funding market has been the subject of significant inquiries in recent years by the Australian Law Reform Commission (**ALRC**) in 2018 and the Parliamentary Joint Committee (**PJC**) on Corporations and Financial Services in 2020. Both reviews highlighted concerns with the interaction of Australia's strict disclosure laws (with low thresholds for liability and limited defences) and a uniquely facilitative class action environment leading to adverse consequences for business and shareholders.

Importantly, the AICD acknowledges that class actions and litigation funding can be an important means of facilitating access to justice, and that robust disclosure laws are critical to market integrity and investor protection. However, we have long held concerns about the regulatory settings and commercial incentives driving Australia's attractiveness for securities class actions, and the high percentage of judgement and settlement proceeds flowing to litigation funders and plaintiff lawyers.

Following its Inquiry into Litigation Funding and the Regulation of the Class Actions Industry, the PJC proposed substantial reforms to Australia's securities class action settings - including the permanent introduction of a fault element in continuous disclosure laws and the extension to misleading and deceptive conduct provisions that were passed by Parliament in 2021 (**2021 Reforms**).⁴

The AICD welcomed these changes as long-overdue and as a sensible balance to disclosure liability settings. Boards and companies that breach disclosure obligations with "knowledge, recklessness or negligence" continue to be exposed to the full force of the law – as they should be. Until the 2021 Reforms took effect, however, securities class actions had been brought on a strict liability or 'no fault' basis meaning directors and companies could be held liable without negligence being established.

ASIC regulatory action for breaches of continuous disclosure laws

Importantly, in terms of public enforcement action, ASIC has a range of complementary enforcement mechanisms available to it in respect of continuous disclosure law breaches, including:

- prosecuting an entity for criminal offences related to continuous disclosure breaches;
- issuing infringement notices to companies for failure to comply with continuous disclosure obligations;
- pursuing directors under the continuous disclosure accessorial liability provisions (section 674 (2A), Corporations Act); and
- commencing actions against directors under the general duty of care and diligence (section 180, Corporations Act).

Yet despite these public enforcement options being available, ASIC enforcement reports over the last five years (2018-2022) notes that with regards to continuous disclosure matters ASIC has concluded:

- 8 civil matters;
- 0 criminal matters;
- 0 enforceable undertakings; and
- 7 administrative remedies (infringement notices).

⁴ *Treasury Laws Amendment (2021 Measures No 1) Act 2021 (Cth)*. This followed temporary amendments to insert the same fault elements under the *Corporations (Coronavirus Economic Response) Determination (No. 2) 2020 (Cth) (Determination No.2)* during the COVID-19 period.

This appears to be a relatively low number of civil actions when compared with the volume of securities class actions over the same period, suggesting a disconnect between public and private enforcement. For example, 10 securities class actions were commenced in 2022, up from 8 in 2021.⁵ 15 actions were lodged in 2020 and 11 in 2019.⁶ That said, recent ASIC actions against Rio Tinto, GetSwift, Nuix and Australian Mines and their directors for alleged continuous disclosure, misleading and deceptive conduct suggest a stronger and welcome focus by the regulator on dealing with market misconduct.⁷

Notably, the ALRC included a recommendation in its final report of its inquiry into class action proceedings and third-party litigation funders that the government should review the enforcement tools available to regulators of products and services used by consumers and small businesses (including financial and credit products and services), to provide for a consistent framework of regulatory redress.⁸ This recommendation was intended to address the need to provide a broad range of options for those who seek to vindicate just claims (i.e. without resorting to litigation).

In the AICD's view, it would be appropriate for ASIC, as the corporate regulator, to lead enforcement action in respect of alleged breaches of market disclosure laws where needed. Reliance on private action to enforce the law is a sub-optimal outcome given the lack of public interest focus of private litigants and noting the centrality of disclosure laws to Australian public markets. This is the case in Hong Kong, for example, where the continuous disclosure laws are not linked to a class actions regime.

Climate reporting obligations

The AICD considers the case for regulator-led enforcement (versus reliance on private litigation) is particularly important in relation to climate reporting. These are matters that involve significant public interest and where, we consider, testing or clarifying legal obligations in respect of emerging risk areas will benefit all market participants.

Australia currently has the second highest number of climate litigation proceedings globally.⁹ In our view, and that of other informed stakeholders, this is set to continue.

The government's development of a new Australian mandatory climate reporting framework to align with the International Sustainability Standards Board (**ISSB**) standards, together with Australia's liability settings for breaches of continuous disclosure and misleading or deceptive conduct breaches (including the comparatively low bar for liability and lack of effective safe harbour for forward-looking statements), make this a highly topical issue.

It is widely recognised, including by the ISSB itself, that there are provisions in the ISSB standards which require disclosure of inherently uncertain inputs and assumptions.¹⁰ For example, forward looking statements about an entity's transition plans and scope 3 emissions disclosure.

⁵ See: *The Review: Class Actions in Australia 2021/2022*, King & Wood Mallesons, (available [here](#)); *Shareholder class actions rise despite more stringent disclosure laws*, Australian Financial Review, December 2022, (available [here](#)).

⁶ *Ibid.*

⁷ Introductory remarks by ASIC Deputy Chair Sarah Court at the ASIC Annual Forum, *Enforcement priorities and the regulatory toolkit*, 3 November 2022 (available [here](#)).

⁸ ALRC Inquiry into Class Action Proceedings and Third-Party Litigation Funders, Final Report, Recommendation 23, p. 246 (available [here](#)).

⁹ LSE Grantham Research Institute of Climate Change and the Environment (June 2022), 'Global trends in climate change litigation: 2022 snapshot'. Available at: <https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2022/08/Global-trends-in-climate-change-litigation-2022-snapshot.pdf> at page 9.

¹⁰ These issues are explained in legal advice from Herbert Smith Freehills (available [here](#)).

As highlighted in the AICD's submission to Treasury's consultation on the design and implementation of Australia's climate-related reporting regime, if liability settings remain unchanged there is a real risk that climate disclosures will fail to meet market expectations.

The AICD strongly supports mandatory climate reporting in Australia and the policy objective of tracking the economy's progress towards the government's climate commitments.

The AICD has proposed limiting enforcement action based on deficient disclosure to ASIC only, with the focus being on heavily penalising those that fail to disclose, or where disclosure is of a clearly poor standard, accompanied by an intensified market surveillance program. If such an approach was adopted, litigation and enforcement would be driven by policy and public interest principles, rather than actions brought by plaintiff law firms and litigation funders motivated by commercial returns.

4. ASIC's resourcing and regulatory tools

Terms of Reference

- d. The range and use of various regulatory tools and their effectiveness in contributing to good market outcomes;**
- f. The resourcing allocated to ensure investigations and enforcement action progresses in a timely manner;**

ASIC's regulatory tools

It is appropriate that ASIC has, and exercises, discretion in the exercise of its enforcement powers. The AICD also supports ASIC having a range of tools in its regulatory toolkit, so that civil or criminal proceedings are not the sole or immediate regulatory response.

While it is important to achieve general and specific deterrence, a uniform approach would risk making regulatory action a blunt instrument, and fails to recognise that competing priorities or special circumstances may exist on a case-by case basis.

In the AICD's view it would be an adverse outcome if a strict approach to enforcement discouraged active co-operation and self-reporting by regulated entities.

Discretion and appropriate enforcement tools also enable ASIC to take into account system-wide considerations as well as entity specific considerations (i.e., what is the overall message that a regulator's approach to enforcement sends to the market?).

Given the breadth of ASIC's remit, the AICD recognises that negotiated outcomes can have a number of potential advantages. In particular, the AICD is of the view that enforceable undertakings can be an effective regulatory tool on the basis that they can:

- achieve a significantly more efficient outcome, including in relation to customer remediation or compensation;
- result in improved compliance systems and processes; and
- be a far more cost-effective alternative to litigation.

However, we note that Commissioner Hayne was particularly critical of ASIC's use of negotiated outcomes as an enforcement mechanism. Commissioner Hayne commented that there seemed *"to be a deeply entrenched culture of negotiating outcomes rather than insisting upon public denunciation of, and punishment for, wrongdoing"*.

ASIC accepted the need to make changes to emphasise deterrence and public denunciation more strongly in its use of various regulatory tools and that when considering enforcement measures, it should start with the question of "why not litigate". Recent figures would demonstrate this posture is changing, with more civil actions commenced and less infringement notices.

Commissioner Hayne further observed that while they were a useful way to deal with lax administrative conduct, their use beyond purely regulatory matters would rarely be appropriate. A core concern highlighted by Commissioner Hayne was that infringement notices were unlikely to have any real deterrent (or punitive) effect for entities and run the particular risk that their consequential penalties will be treated as a 'cost of doing business'.

Strategically important litigation can be useful to clarify the law and as a means to achieve deterrence. Greenwashing misconduct is a topical example. Over recent months, ASIC has issued eleven infringement notices against four separate entities in relation to alleged greenwashing.¹¹ At the time of writing, we note ASIC has launched its first court action for alleged greenwashing conduct in the Federal Court.¹²

Overall, while we support ASIC's discretion to use the range of ASIC's enforcement mechanisms in its regulatory toolkit, we caution against an over-reliance on infringement notices at the expense of court actions that test and clarify the bounds of the law.

ASIC's remit and resourcing

As noted in the AICD's submission to the FRAA Review and Hayne Royal Commission, ASIC's remit appears to be unparalleled by any other conduct regulator globally, being the only authority to administer both investor and consumer protection within one agency.

ASIC not only enforces laws, it also, amongst other things, publishes a wide range of guidance material, engages in education and policy development, licenses financial services entities, is charged with lifting financial literacy and manages relief applications and consumer outcomes in financial services.

ASIC's workload will broaden further with the joint administration of the Financial Accountability Regime (**FAR**) and its application to all APRA regulated entities.

It is important to acknowledge that ASIC is required to balance ever increasing demands within a limited budget. The AICD strongly considers it is critical that ASIC's resourcing and funding increases commensurately to account for the breadth and depth of its regulatory activities – and in particular, to support its enforcement priorities and capabilities.

¹¹ <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-001mr-asic-issues-infringement-notices-to-energy-company-for-greenwashing/>

¹² <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2023-releases/23-043mr-asic-launches-first-court-proceedings-alleging-greenwashing/>

5. ASIC's governance

Terms of reference

h. Any other related matters

As an additional matter for consideration by this Inquiry, the AICD reiterates its previous commentary on the need for review of ASIC's governance structure to improve accountability, culture and strategic oversight.¹³

Under its current structure, ASIC is led by a Chair who is supported by two Deputy Chairs and one Commissioner (together, **Commissioners**).

Uniquely, according to ASIC itself, all hold full-time regulatory (executive) and governance (non-executive) positions with ASIC, and together form the Commission. While the Commission is responsible for the exercise of ASIC's functions and powers, ASIC's strategic direction and its priorities, the Commission does not formally operate as a board of directors. External perspectives are instead provided through its external panels, which meet on a relatively infrequent basis and without any decision-making authority.

In their regulatory role, the Commissioners perform management functions in relation to business activities of ASIC. In this role, they lead groups of business lines with direct reporting from executive directors to individual Commissioners, and make decisions on regulatory and/or operational matters. At the same time, in their non-executive role, the Commissioners have ultimate decision-making authority as to the strategic oversight and direction of the organisation.

We note that the 2015 Capability Review Final Report to government commented on ASIC's governance arrangements (in particular, Commissioners having both an executive and non-executive role), stating that the model results:¹⁴

"...in a number of challenges and tensions, with the risk that it can erode the strength of internal accountability, and that it may leave insufficient time for Commissioners to focus on strategic decision making, holding executives accountable for delivery, external engagement and strategic communications. The Panel believes that a dual governance and executive line management role inherently undermines accountability."

The Final Report further reflected:¹⁵

"The Panel is also of the view that the volume and urgency or time sensitivity of operational matters distracts the Commission away from focusing on higher priority strategic questions and challenges, strategy development and organisation capacity and capability needs. There is likely to be a natural tendency for people in blended

¹³ AICD submission, Effectiveness and capability review of the Australian Securities and Investments Commission, January 2021 (available [here](#)); AICD submission, *Capability Review of the Australian Securities and Investments Commission*, September 2015, available [here](#); AICD submission, *The Interim Report of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry*, October 2018, available [here](#).

¹⁴ *Fit for the future: A capability review of the Australian Securities and Investments Commission, A Report to Government*, December 2015, p. 61, available [here](#).

¹⁵ *Ibid*, p. 62.

executive and governance roles to prioritise some of the more immediate issues and short term challenges compared with long term strategic requirements.”

A further key finding of the 2015 Capability Review Panel identified was that ASIC's culture was variable, overly defensive, inward looking, risk averse and reactive.¹⁶ In the Panel's view, this was contributed to, in part, by the internal governance arrangements which blur responsibility and accountability and limit the empowerment of staff and senior executive leaders. ASIC did not however adopt the 2015 Capability Review recommendation to realign its structure to achieve clear separation of the non-executive and executive roles.¹⁷

Commissioner Hayne further commented on changes made to ASIC's management structure in 2019 in the Hayne Royal Commission Final Report. Specifically, Commissioner Hayne referred to the creation of a group of executive directors immediately below the Commissioners, who are to manage components of ASIC's activities and enable Commissioners to better deal with higher-level strategic issues.¹⁸

Ultimately, Commissioner Hayne acknowledged it was for ASIC to decide what organisational structure would best fulfil its remit. Nevertheless, caution was urged regarding the process by which matters are elevated to the Commissioners and the quality of the information presented. Commissioner Hayne was also concerned that the longer and more attenuated the chain of responsibility, the harder it would be to challenge the views that are expressed along the way.¹⁹

Commenting on ASIC's governance structures, Commissioner Hayne observed that there was “no obvious reason” why ASIC would not benefit in the same ways that listed entities do from the inclusion of non-executive directors on their boards. However, he stopped short of such a formal recommendation, noting the “radical changes” which ASIC already had to undertake.

More recently, this view has been reiterated by Former ASIC Chair, James Shipton, commenting in the *Australian Financial Review*:²⁰

“ASIC is governed by two ill-fitting pieces of legislation, with three different overlapping governing organs. There is insufficient legislative cohesion between them, resulting in a lack of clarity in the executive, strategic and governance roles of the chair (who is also the accountable authority) and the other commissioners. This causes confusion, sometimes tension, in decision-making settings. This confusion wouldn't be tolerated in a listed corporation.”

The AICD agrees that the current composition of the Commission provides significant knowledge and a deep understanding of the organisation. However, in our view the introduction of a board comprising a majority of non-executive, independent directors could improve performance and accountability; bring important external perspectives to the regulator; and a higher degree of executive oversight than its current arrangements.

¹⁶ Ibid, p. 76.

¹⁷ Ibid, p. 66.

¹⁸ Final Report, *Royal Commission into Misconduct in the Banking Superannuation and Financial Services Industry*, Volume 1, (2019), p. 444, available here.

¹⁹ Ibid, p. 44.

²⁰ *Six Possible solutions for a right-sized ASIC*, Former ASIC Chair James Shipton, *Australian Financial Review*, 20 February 2023 (available [here](#)).

Comparative structures

We note that ASIC's current governance model is unlike many other conduct regulators internationally. For example, in the United Kingdom, both the Financial Conduct Authority (**FCA**)²¹ and the Financial Reporting Council (**FRC**)²² have traditional board structures comprised of a majority non-executive directors and a non-executive Chair who has no responsibility for the day-to-day running of the FCA. Similarly, the Financial Markets Authority (**FMA**) in New Zealand has a board with a majority of non-executive directors as its governing body.²³

In Australia, there is also precedent for government agencies to have a board structure in place for its governing body. For example, the Reserve Bank of Australia (**RBA**) has a board that comprises three ex officio members – the Chair, Deputy Chair and Secretary of the Australian Treasury – and six non-executive directors who are appointed by the Treasurer.²⁴

As noted in our submission to the FRAA Review, the AICD encourages consideration of an alternative governance model – for example, either:

- **RBA model:** retaining some or all of the Commissioners as executive directors supplemented by a majority of practising non-executive directors with the appropriate knowledge, skills and experience to form a 'board of the Commission'. Under this model the current ASIC Chair would be the Chair of the new board. This would be consistent with the board structure of the RBA; or
- **FCA model:** establishing an independent board, separate from the Commission, comprised of the current ASIC Chair and practising non-executive directors. Under this model, Commissioners would remain on the Commission and retain their executive role with oversight of day-to-day management functions, regulatory decisions and executive leaders. However, the Commissioners would be separate from the non-executive governance function provided by the independent board. The current ASIC Chair would become the CEO of the regulator and a new, independent non-executive Chair would be appointed. This would be consistent with the board structure of the FCA.

The AICD considers that the addition of practising non-executive directors under either model would help introduce external perspectives and impartiality where the remainder of the Commission hold executive positions with ASIC.

We recognise that non-executive directors whether appointed to the 'Board of the Commission' (RBA model) or a wholly independent board (FCA model) will have directorships with other companies and organisations outside of their role on the ASIC board.

Accordingly, conflicts of interest would need to be dealt with by any non-executive directors appointed to the ASIC board in the usual manner. That is, existing conflicts of interest would need to be declared at the commencement of their appointment and any conflict arising during their appointment being immediately declared to the Chair. Appropriate steps would

²¹ See <https://www.fca.org.uk/about/fca-board>.

²² See <https://www.frc.org.uk/about-the-frc/structure-of-the-frc/frc-board>.

²³ See <https://www.fma.govt.nz/about-us/governance-and-board/>.

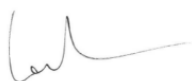
²⁴ See <https://www.rba.gov.au/about-rba/boards/rba-board.html>.

then need to be taken to ensure the conflicted director is not involved in the decision-making process going forward.

6. Next Steps

We hope our submission will be of assistance. If you would like to discuss any aspects further, please contact Christian Gergis, Head of Policy (cgergis@aicd.com.au) or Laura Bacon, Senior Policy Adviser (lbacon@aicd.com.au).

Yours sincerely,



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