

ABS Submission - Modernising Business Registry Services

The Australian Bureau of Statistics (ABS) welcomes the Discussion Paper *Modernising Business Registry Services* and also the opportunity to comment. The ABS is Australia's national statistics agency. As a result this submission focusses on the role of business registries as part of the Australia's national statistical service, where they are considered data sources that support important decisions.

Overview

In particular, ABS would like to note:

- ABS support efforts to integrate business registry functions to more effectively provide government services to business and the community and to better support government operations.
- There are different types of business registers, including administrative business registers and statistical business registers. The ABS is responsible for the ABS Business Register which is a statistical business register. A statistical business register applies different units to collect, compile, integrate and disseminate information on business activity. These units are usually an aggregation or disaggregation of a legal entity such as the ABN or ACN. The ABS Business Register is not publicly accessible. The ABS has also established an Address Register that is used to support the Census and household survey programs.
- Both the Australian Business Register (ABR) and Australian Securities and Investment Commission (ASIC) data are critical inputs to the ABS Business Register. The ABS Business Register is the foundation of the ABS survey program and it enables the linking of datasets that contain information on businesses for statistical purposes. Further integration of the ABR and ASIC registries will further enhance the quality of ABS economic statistics, including the National Accounts. Further information on the ABS Business Register is provided in Appendix 1.
- More generally, ABS strongly encourage that any future developments treat the information held on government business registers as data that can also help inform decision making by governments. The integration of registers should support this objective by making data more widely available across government and enabling more dynamic access to the data. The quality and consistency of data across government is also likely to be higher if the reporting burden of non-sensitive data about a business can be managed via a single source of truth that only needs to be updated once by a business. ABS would appreciate the opportunity to participate in any developments on government registry services given the strong value of business registries as statistical assets.

- ABS would like to see spatial information and geocoded data prioritised in the business registry modernisation. ABS recognises the work that ABR have already undertaken in order to place locations on the ABR, and encourage the ongoing investment in spatial information and geocoded data in Australian Government business registers.
- ABS is currently collaborating with the ABR and Department of Industry, Innovation and Science to develop a cloud based API Industry Coder. The genesis of this project was the Business Registration Service (BRS) project. ABS would encourage the consideration of coding applications in any further business register developments, as this would support the goal of coherent coding of data across government
- There are other countries that take an integrated approach to business register services. ABS encourages any further work in this area by the Australian Government to review the approaches taken internationally by countries with mature administrative systems.

Specific questions

Further information on the specific questions in the discussion paper is contained in this section.

What would you like modernised business registry services to deliver for you in the future?

The key features ABS would like to see are:

- Fewer business registers where non-sensitive content that is of common interest across government:
 - is shared across government agencies
 - is actively maintained (eg. via maintenance strategies) so that the information has currency.
- The harmonisation of definitions used across business registers.
- The use of centralised coding tools that are based on agreed standards (where these are available).
- Data is available in a format that is accessible for analysis.

What would be the advantage of bringing the ASIC registers and the ABR within a single agency?

Integrating the ASIC and ABR registries would provide a more comprehensive understanding of the scope and activity of businesses in Australia. For instance, there are currently some entities that only need to register with ASIC, others that only need to register with the ABR, and others that are obligated to register with both ABR and ASIC. The current set of arrangements does not provide a complete picture of business activity within Australia from a single source, including coherence about key characteristics (eg industry).

Do you see other opportunities to reduce duplication of business registers and associated services across government?

ABS supports the aspiration of a centralised (possibly virtual) administrative business register that acts as central hub for all Australian Government business registrations (category 1) in the first instance. There are a variety of ways that this could be managed, however a key advantage would be that it would streamline updates to Government agencies from the business itself or from another government agency. Sensitive or agency specific data could be managed via security accesses to ensure appropriate use. This approach would also enable the integration of for example, other registers or business identifiers into the approach over time.

One of the issues that would need to be resolved if centralised updating or linking were adopted is stability in the definition of a unit. That is, if the scope of a business changed through these processes then this could impact on the measurement of business activity.

What advantages or disadvantages would there be in a consolidated set of business data?

Advantages:

- Data is available from a single source
- Provider burden is reduced as there are fewer requirements to interact with government (eg. only advise one agency of a change)
- Improvements for software developers and information users, with fewer agencies to engage with to obtain information, and reduced complexity due to differences in systems, technologies and refresh schedules.

Disadvantages:

- Business may be less willing to provide information or updates to information if they are concerned about privacy under a scenario where data are more broadly shared across government. To mitigate this it would need to be clear under what circumstances data can be shared.
- A single custodian may have less interest in maintaining parts of the register that are not relevant to their remit. This could be managed via a Terms of Reference that stipulates data custodian responsibilities.

Do you have a view on the steps the Government could take to make registry data more open and accessible?

- Both point in time data and dynamic views should be available to key users as these have different purposes.
- Regular point in time data feeds (snapshots) should be available via a range of formats, including machine to machine technology.
- For dynamic views, virtual links between registers could be explored.

Is there business data that would be useful to collect in a modern registry service, but is not currently being collected or published? Do you have concerns about the publication of certain data?

An improved registry service could better capture information on certain types of business populations that would be useful in the delivery of government services to business and also improve the understanding of business behaviour and success. Examples could include Indigenous Businesses, foreign ownership, and family run businesses. It would also be helpful to users if, subject to confidentiality considerations, businesses that are not actively reporting activity could be flagged (ABS call these long term non-remitters) and data associated with business locations such as business size could be made available.

Given ABS is a significant publisher of data, ABS would be interested in a summary of the key concerns noted in the Discussion Paper feedback.

Information confidentiality and security is paramount. Do you have a view on how security should be maintained, and or how users can be empowered to manage permissions relating to data held in registers?

ABS agrees that confidentiality and security are paramount. ABS support:

- Transparency in relation to the agencies that have access to a dataset or data items.
- Information in registers being partitioned into sensitive or non-sensitive data (or similar terminology). Sensitive data would have more limitations on access to the data within government.
- Specific legislation being taken into account. For instance, identifiable unit record data collected by ABS under the *Census and Statistics Act (1905)* cannot be shared with other agencies.

Depending on how registers were integrated, the registry administration access would need to be considered where data is deemed sensitive.

We understand any changes may impact your business and sufficient lead time will be required. How would you like to be involved in any future changes

ABS is a key user of ABS and ASIC data. If the integration of the registers results in changes to the content (including additional content) and format of data then ABS will require lead time to implement any necessary changes in ABS systems, and ensure that any changes are understood from a statistical perspective. There may also be resourcing implications.

ABS would like to be a partner in the formulation of any future changes to ensure data continuity from business registers across government, and to champion data and statistical considerations.

How long would parallel services (new and old) be required for you to transition your software and customers?

To test and transition to a new dataset or a dataset with changes would likely take ABS around 6 months. The timing of when the transition could be accommodated will depend on other changes (eg. systems transformation) being undertaken by ABS.

Australian Bureau of Statistics
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Appendix 1: ABS Business Register FAQ

(1) What is the ABS Business Register used for?

The primary functions of the ABS Business Register are:

1. To provide frames for ABS economic surveys to enable a consistent, coherent and point in time picture of the Australian economy,
2. The source for ABS business demography outputs (e.g. Counts of Australian Businesses, including Entries and Exits (Cat.no.8165.0)), and
3. Integrating spine to enable datasets (including the Business Longitudinal Analytical Data Environment) to be linked for data and policy analysis.

The ABS Business Register is only available to ABS staff. This restriction is in line with current legislation and policy application in relation to confidentiality.

(2) What is on the register?

In mid 2002, the ABS commenced sourcing its register information from the Australian Business Register (ABR) and at that time changed its business register to a two population model based on an Economic Units Model (see Attachment A). The two populations are known as the profiled population and the non-profiled population. The main distinction between businesses in the two populations is the complexity of the business structure and the degree of intervention required to reflect the business structure for statistical purposes.

The vast majority of businesses included on the ABS Business Register are in the non-profiled population. Most of these businesses are understood to have simple structures. After some system processes are applied to the unit registered for an ABN and some additional data items derived, the resulting statistical unit is a good approximation satisfying ABS statistical requirements. For these businesses, the ABS statistical unit structure directly aligns with the ABN unit: one ABN equates to one business.

For a relatively small number of businesses, the ABN unit is not suitable for ABS economic statistical purposes and the ABS maintains its own units structure through direct contact (personal interviewing or surveying) with businesses. These businesses constitute the profiled population. This population consists typically of large, complex and diverse groups of businesses, where aggregations or dis-aggregations of ABNs to enable ABS to collect, compile and disseminate data. In the profiled population, a Type of Activity Unit (TAU) equates to one business.

The TAU is comprised of one or more business entities, sub-entities, or branches of a business entity within an enterprise group that can report production and employment data for similar economic activities. When a minimum set of data items is available, a TAU is created which covers all the operations within an industry subdivision. The statistical unit referred to as a 'business' thus consists of ABNs from the non-profiled population and TAUs from the profiled population. The non-profiled population accounts for 99% of businesses on the ABS Business Register.

The ABS is currently investigating an expanded scope to also capture other entities, for instance, those that have an ACN but are not required to register for an ABN.

(3) ABS Business Register data sources

The data sources used in the ABS Business Register are in the table.

Source	Data	Information	Use
ATO/ABR	Business Registration	Australian Business Numbers (ABN) Entity name Business Address Mail address Business start date ABN status Industry code Employment	Identify new ABNs and changes to existing ABN details To contact the business, as required Survey scoping
	Business Activity Statements	Turnover & wages	Survey scoping
ABS derived		Institutional Sector Type of Business Entity Level of Government Not for Profit Institution status Public /private status	Survey scoping
BRU profiling	Survey Forms or personal interviewing	Contact name Employment Income Industry, including secondary activities Accounting period Joint ventures Other survey specific information Payroll information	Identify new business units and changes to existing business units To contact the business, as required Survey scoping

Note: Developments are currently underway to use ASIC data to expand the scope of the ABSBR and to scope survey frames.

(4) How is the ABS Business Register used?

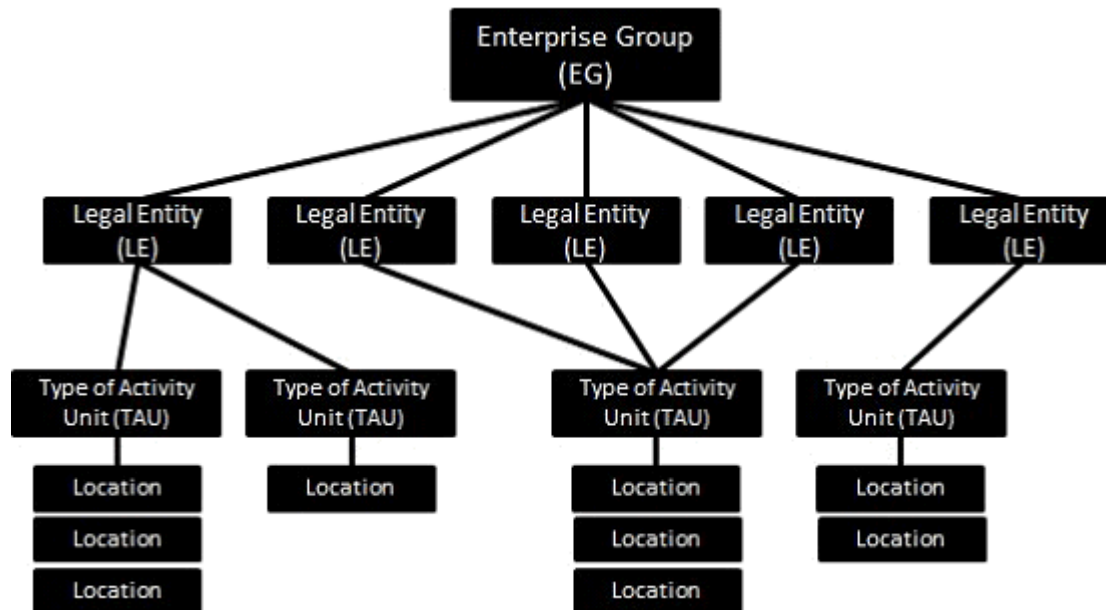
The ABS Business Register is foundational infrastructure for the ABS economic statistics program. A snapshot of the active businesses on the ABS Business Register is taken every quarter. This is the Common Frame and it contains all possible businesses that could be selected in an economic survey. Survey frames for most ABS economic surveys are then produced from the Common Frame, based on the requirements of each survey. The final population of businesses for each survey is then selected from the survey frame. The outputs from these surveys are published in their own right and also feed into the National Accounts.

The quality of the ABS Business Register impacts on ABS economic collections and the National Accounts. It needs to be kept up to date (ie. capturing new registrations, cancellations, mergers, correct industry etc), so that it reflects real world changes. Changes

in business structures and classifications on the ABS Business Register impact on industry and sectoral movements and on how easily profiled units can provide data to ABS.

Governments and the broader community make decision based on ABS data. If for instance, ABS was to over or underestimate the number of construction businesses, due to poor industry coding, the amount of construction activity in the economy would be over or underestimated. This could affect decisions regarding interest rates or investment. ABS industry data is widely used by government to understand economic developments and in the design of policy. It is also widely used by the private sector, the community sector and universities for research, analysis and decision making.

Attachment A - Economic Units Model (EUM)



The Enterprise Group (EG) is an institutional unit covering all the operations within Australia's economic territory of legal entities under common control. Control is defined in Corporations legislation. Majority ownership is not required for control to be exercised.

The Legal Entity (LE) statistical unit is defined as a unit covering all the operations in Australia of an entity which possesses some or all of the rights and obligations of individual persons or corporations, or which behaves as such in respect of those matters of concern for economic statistics. Examples of legal entities include companies, partnerships, trusts, sole (business) proprietorships, government departments and statutory authorities. Legal entities are institutional units.

The Type of Activity Unit (TAU) is a producing unit comprising one or more legal entities, sub-entities or branches of a legal entity that can report productive and employment activities via a minimum set of data items.

A Location is a single, unbroken physical area, occupied by an organisation, at which or from which, the organisation is engaged in productive activity on a relatively permanent basis, or at which the organisation is undertaking capital expenditure with the intention of commencing productive activity on a relatively permanent basis at some time in the future.