17 August 2018

Matthew Sedgwick  
Consumer and Corporations Policy Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

By email: reqmod@treasury.gov.au

Dear Mr Sedgwick,

Subject: Modernising business registers program

CPA Australia represents the diverse interests of more than 163,000 members working in 125 countries and regions around the world. We make this submission on behalf of our members and in the broader public interest.

CPA Australia supports the Government’s announcement in the 2018-19 budget that it will modernise the Australian Business Register (ABR) and the Australian Securities and Investment Commission (ASIC) business registers. Further, we agree with the consultation paper’s statement that the ABR and the ASIC registries ‘form a critical piece of Australia’s economic infrastructure’. In fact, we see such registers as an important public good that not only enables businesses to be established and regulated, but also helps to facilitate good business practice and good economic decision making.

We wish to raise the below suggestions in response to the following focus areas in the consultation paper:

Funding registry infrastructure

As raised in our initial submission, it is essential for the success of this modernisation program that access to the registers be free of charge.

We appreciate that the Government generates significant income from the charges levied for providing data through the ASIC company register and acknowledge that the government will cut the search fee to $19 for business and individuals, however we believe that the benefits to the Australian economy and business of making such searches free of charge will in the long run outweigh the loss of income.

CPA Australia believes the benefits of free access to the ASIC company registry include:

- improving the probability of business success as ready and free access to financial and other information about suppliers, customers and other entities should assist businesses make more informed decisions on who they should interact with and invest in
- reducing the risk of phoenix and other similar activity
- assisting business meet certain regulatory obligations - for example, undertaking customer due diligence under Anti-Money Laundering legislation
- allowing for a deeper understanding of Australian businesses and the economy through macro-level research and analysis of such data.
Further, making such data freely available to the public would be consistent with the Commonwealth’s Public Data Policy Statement, which commits Commonwealth Government entities to make non-sensitive data open by default and only charge for specialised data services. It would also bring Australia into step with the United Kingdom, the USA and New Zealand, who allow free public access to similar information.

As recommended in our initial submission, we suggest Government undertake a cost/benefit analysis to assess the economic impact of removing charges currently being levied to access company data through ASIC.

Registry service enhancements

It is important for the government to involve heavy users of registry services, especially intermediary such as accountants and lawyers in co-designing any changes from the beginning, as well as such intermediaries being involved in user testing. The objective should be to allow business to easily report once to government, with government agencies (including state government agencies) taking that data to update their own registries.

We also suggest that enhancements allow intermediaries to manage the data of their clients.

Data protection is a key issue. It is important for the government to clearly articulate how the data on the registries is to be protected.

We agree with the intent that the registry be designed so that it can easily be adapted to meet future technology and regulatory developments. This could include bringing state government agencies into the regime.

If you have any questions regarding this submission, please do not hesitate to contact Gavan Ord, Manager – Business and Investment Policy on [mask] or [mask].

Yours faithfully

Paul Drum FCPA
Head of Policy