



**Small Business
Development Corporation**

Our ref: D18/4644

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

Dear Reviewers

CONSULTATION – MODERNISING BUSINESS REGISTERS PROGRAM

The Small Business Development Corporation (SBDC) welcomes the opportunity to provide feedback to the Federal Government's proposal to modernise the Australian Business Register (ABR) and the Australian Securities and Investments Commission (ASIC) business registers onto a whole-of-government platform.

Background

The SBDC is an independent statutory authority of the Government of Western Australia established to support and facilitate the growth and development of small businesses in the State¹. The agency's core role is to provide advisory services to new and existing businesses in Western Australia, including a focus on supporting the establishment of new enterprises and enhancing regulatory compliance.

Another key role of the agency is to influence the policy and regulatory environment affecting the small business sector in Western Australia. In this regard, the SBDC regularly contributes to policy and legislative reviews and inquiries undertaken across all tiers of government, including proposals by the Federal Government to reduce the burden of compliance on small business operators.

Feedback on the proposal

The SBDC strongly supports the main tenet of the proposal to reduce the number of business registers and improve the business user experience.

Since the Federal Government took over responsibility for the registration of business names from State and Territory governments in 2012, the SBDC has been critical of the consequential proliferation of different business registration systems. The fact that there are now in excess of 30 legislated business registers operating nationally is concerning, and is of little surprise that it contributes to small businesses' angst about red tape.

¹ The views presented here are those of the SBDC and not necessarily those of the Western Australian Government.

The SBDC believes that while the migration of business registrations to online systems has greatly improved the convenience and cost of establishing a new enterprise and ongoing reporting of small business operations, it is well past overdue for the multiplicity of registers across departments that have sprung up to be consolidated onto a single platform and for these services to be modernised.

Reducing the compliance burden on small businesses should be the basis for this reform. In this context, any potential red tape benefits cannot be fully realised unless the business user experience is at the centre of the redesign.

To this end, the SBDC cites the Victorian Government's approach to providing digital services to its 'customers' as leading practice in Australia. Released in December 2013, the Victorian "Digital Strategy" action plan guides that government's online activities and interactions will all Victorian customers (i.e. both citizens and businesses).

Developed in consultation with government agencies and which included a review of the practices of governments worldwide, the Vision for the Victorian Government's digital presence was to transform from disparate, agency-centric websites to a **customer-centric** state where the digital presence is organised for and around citizens, businesses and communities. This transformation has seen agencies collaborate to provide their shared customers with a **seamless, integrated experience** when engaging with the government online.

The Victorian Digital Strategy provides high level coordination, direction and encouragement to the current and new digital activities of government departments, to:

- Meet customer expectations;
- Provide equality in service delivery;
- Increase transparency and quality of engagement with customers;
- Encourage innovation; and
- Improve productivity.

The Strategy argues that when customers can easily find, understand and use government information and services online, there are productivity gains for everyone. Importantly, by designing customer-centric systems and engaging with customers online, *government activity can transform from being focused on procedures and compliance to being focused on **quality of service**.*

Of the Strategy's seven foundation principles, the first (and arguably most critical) principle centres on **reducing customer effort**. Specifically, customer-centric thinking and actions are to underpin every aspect of the government's management, presentation and delivery of information and services via digital channels. In other words, the government's digital channel belongs to the customer.

Another essential foundational principle is to **organise information and services by customer needs, not agencies**. Customers should never need to know who in the Victorian Government provides the information or service they are seeking, nor should they need to visit multiple agency web pages to have their needs met. Where agencies and regulators share responsibility for servicing the same customer, the common service and information should be collated and presented in one online place.

As such, information and services should be presented and delivered online by theme or purpose rather than as a function of a particular agency. This ensures services and information are presented in a way that is logical to customers, rather than in a way that is influenced by the government's internal arrangements and hierarchy. Achieving this customer-centric, collaborative approach often requires a fundamental shift in government agency culture and actions; it demands agencies to break down inter- and intra-agency boundaries and combine, align and organise their resources to *always put customers first*, ahead of internal processes and structures.

Designing business registration systems from a customer-centric perspective, in line with the above principles, leads to digital channels being leveraged to improve productivity for *both* customers and government. Where customers are currently required to engage with more than one agency – or units within an agency – for a single service (such as registering a new business entity), the relevant parts of government *must* work together to ensure that the customer has only a single interaction to utilise the service. The Business Registration System (BRS) is a notable example of this.

This should be the minimum standard that the Modernising Business Registers Program aims for. It is thus pleasing to note that these principles and philosophies are captured in the consultation paper; the challenge for the Federal Government is to deliver solutions to the recognised problems (i.e. multiplicity of overlapping and competing registers, duplication of information requests, inconsistent data and authentication requirements, IT and system legacies, outdated and restrictive legislation) in order to unlock the benefits that business customers *and* government urgently need.

The SBDC appreciates that this review process is underway and that significant reform momentum is building behind it. The streamlining and modernisation of business registration systems and processes is essential now in order to deliver community and government relief from the current tangled situation.

If you would like to discuss this submission in more detail, please don't hesitate to contact Mr Martin Hasselbacher, Director of Policy and Advocacy on [REDACTED] or [REDACTED]

Alternatively, please contact Ms Jacky Finlayson, Executive Director on [REDACTED] or [REDACTED] if you would like more information on the SBDC's role over the years in helping develop the ABR and the Council of Australian Governments' Business Online Services initiative.

Yours sincerely



David Eaton
SMALL BUSINESS COMMISSIONER

22 August 2018