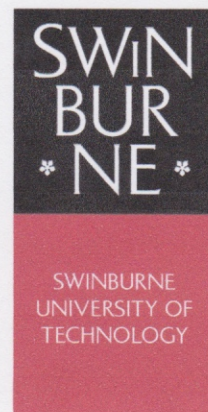


8 February 2019

Adam Bogiatzis
Consumer and Corporations Division
The Treasury
Langton Crescent
PARKES ACT 2600



By email: ASICFunding@treasury.gov.au

Dear Adam

Exposure Draft – Treasury Laws Amendment (ASIC Cost Recovery and Fees) Regulations 2019

Thank you for the opportunity to comment on Exposure Draft – Treasury Laws Amendment (ASIC Cost Recovery and Fees) Regulations 2019 (the ED).

My comments are restricted to the topic of registry search fees.

Under the ED proposals the fee for obtaining financial reports will remain at \$40; with a reduction to a small number of other registry search fees. Further, proposed fee exemptions to certain registry search fees are restricted to journalists.

Australian research concerned with the quality of the financial reporting of proprietary limited companies and unlisted public companies that are not charities is not comprehensive.

Barth (2018) opines, "[accounting] Research offers insights that, if heeded and built upon, could improve financial reporting, thereby contributing to a more prosperous society."¹

Anecdotally, a reason for the paucity of research is the cost of obtaining public record financial statements lodged with the Australian Securities and Investment Commission (ASIC).

The work of Carey et al (2014) demonstrates that cost. Carey et al (2014) analysed a sample of the financial statements lodged with ASIC for two reporting years, that is, 1,546 companies.² At \$40/report the cost to the researcher of obtaining the pdf copies of financial report lodgements would be \$123,680. There would be very few instances where a research proposal focused on the financial reporting of unlisted companies, could justify a cost of that magnitude.

With searches of the registry of the Australian Charities and Not-for-profits Commission (ACNC) being free it is not clear why a different approach would apply to the ASIC registry. Moreover, academic researchers have been quick

¹ Barth, ME (2018) 'The future of financial reporting: Insights from research', *ABACUS*, 54(1), pp66-78.

² Carey, P., Potter, BN., and Tanewski, G (2014) 'Application of the Reporting Entity Concept in Australia', *ABACUS* 50(4), pp460-489.


to make use of that freely available data in a beneficial way. I also note the free access to those registries in the UK and US that are similar in purpose to the ASIC registry.

Free access to the ASIC company registry can be of benefit to society. I encourage the regulations to reflect a policy of free access.

As an aside, the pdf form of the report purchased from ASIC requires the data relevant to the research is then hand extracted from each report for separate analysis – a labour intensive and time-consuming project. Mandatory XBRL or iXBRL lodgements would be of benefit.

If you have any queries on the provided comments, please contact me at mshying@swin.edu.au.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'mshying', with a stylized flourish at the end.

Dr Mark Shying CA
Industry Fellow
Swinburne Business School