



1 February 2022

Data Economy Unit
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The Treasury
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Data Economy Unit

Thank you for the opportunity to provide feedback on the Modernising Registry Fees consultation.

The Commission is supportive of proportionate, transparent and low-cost registry fees for the purposes of cost recovery and ensuring registry services meet the needs of Australian businesses.

Specific consideration should be given to potential negative impacts on Australian small businesses. Registry fees are typically the same for any business irrespective of their size (notwithstanding differentiated fees for public companies and some other company types). This means that smaller businesses pay higher fees relative to the scope of their activities and the likelihood that information held on registers will need to be accessed by external parties.

Smaller businesses may also be more sensitive to the cost of registry fees, particularly company registration, renewal and late fees. While larger businesses may regard registry fees as an incidental expense, in relative terms these can represent a higher cost burden for smaller entities.

The Commission would welcome any renewed efforts to examine the cost impact of registry fees. This could, for example, include consideration of a tiered fee structure whereby smaller companies are offered lower fees in acknowledgement of their smaller size.

Search fees

The Commission supports removing retail search fees to reduce barriers for small businesses accessing information on registries. Accessibility barriers, cost or otherwise, are likely to limit the potential benefits of business registries. The rationale for search fees may be particularly weak given the marginal cost of most registry searches is negligible.

Small businesses that already pay registry fees should not encounter further search fees unless their use gives rise to additional cost. While it may be appropriate to charge other users accessing larger, complex data sets requiring additional resources to retrieve and



process, such fees should only be retained where there is a clear cost impact on the registry operator.

Infrastructure fees

Fees paid by small businesses should not be used to cross-subsidise activities (and their cost) that can be attributed to other users. The Commission supports a fee structure that facilitates innovation and the provision of services to wholesale users. Infrastructure fees are supported to the extent they would facilitate appropriate investments in technologies and platforms required by wholesale users. Infrastructure fees should be designed in a manner that reduces cost pressures on other users, particularly smaller businesses.

Late fees

While ASIC advises it will consider waiving a late fee when there were issues beyond the control of all representatives of the entity, the Commission is aware of circumstances where this has not extended to situations where a business did not receive the annual statement or notice leading to the delay.

To avoid offering small businesses the choice of paying the fee or lodging an onerous appeal, the Commission recommends allowing an automatic waiver of late fees for small businesses who provide a statutory declaration attesting that have not received the ASIC Annual Review Statement.

Lifecycle fees

The Commission notes improving the integrity and currency of registry information is a priority for the Government. Any fee to update information risks discouraging small businesses from making timely updates, meeting their legal obligations as well as potentially penalising growing and evolving businesses. The Commission welcomes consideration of the current lifecycle fee structure to minimise disincentives and reduce cost impact of lifecycle fees.

Thank you again for the opportunity to make a submission. If you require further information, please contact Megan Bennett at either megan.bennett@smallbusiness.nsw.gov.au or (02) 9372 8767.

Yours sincerely

A handwritten signature in blue ink that reads 'Chris Lamont'.

Chris Lamont
Commissioner
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