



Australian Government

Australian Government response to the
Senate Select Committee on Australia as a Technology
and Financial Centre:

Second Interim report

May 2024



Response to the recommendations

Recommendation 1

The committee recommends that the Research & Development Tax Incentive be amended to allow for:

- different assessment methodologies to be used; and
- quarterly payments to successful applicants.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 2

The committee recommends that the Australian Government consider the establishment of a separate software-specific tax incentive scheme.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 3

The committee recommends that the Australian Government consider abolishing interest withholding tax, in line with recommendations from the Johnson Review.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 4

The committee recommends that the Australian Government and relevant agencies pursue mechanisms to increase international participation in the Consumer Data Right (CDR) and interoperability with similar schemes in other jurisdictions, including by:

- driving the establishment of International Open Banking standards and broader standards relating to data sharing and consent management; and
- establishing mutual recognition arrangements for accreditation under the CDR and relevant schemes in other jurisdictions, in particular the United Kingdom.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 5

The committee recommends that the Australian Government, through Treasury and other relevant agencies, review and publicly report on what additional rules and safeguards may be required in the event that large non-bank digital platforms were to seek accreditation under the CDR regime.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 6

The committee recommends that the Australian Government develop consumer 'nudge' mechanisms to be incorporated into the design of the CDR regime, to ensure consumers are periodically made aware of their ability to find better products and services through the CDR.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 7

The committee recommends that, pending any relevant findings of the ACCC, the Australian Government consider whether an access regime for app marketplaces may be necessary in order to ensure fair and equitable access for app developers.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 8

The committee recommends the Australian Government review the ability for businesses to access relevant information from government registers (including ASIC registers and AEC electoral roll data) for the purposes of facilitating identity checks and offering Digital Identity services, particularly in comparison with how this access is facilitated in similar jurisdictions overseas.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 9

The committee recommends that the Australian Government establish a Commonwealth 'Rules as Code' innovation hub, accompanied by a regulatory sandbox, to advance legal coding approaches to Commonwealth legislation and regulation.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 10

The committee recommends the Australian Government provide for an Australian scheme based on US Rule 10b5-1 as an option for start-up companies. The government should enact integrity measures to avoid any gaming which may arise from trading plan modification.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 11

The committee recommends that the Australian Government amend existing legislation to require post-capital raising disclosure from listed companies.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 12

The committee recommends that the Australian Government should ensure that technology drives an equitable deal for retail shareholders by modernising the rights issuance system.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 13

The committee recommends that if the rights issues reforms contained in the recommendations above do not resolve the equity issues for retail shareholders, the Australian Government should conduct a review into retail shareholder participation in capital raisings.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 14

The committee recommends that the Council of Financial Regulators Cyber Working Group ensure its work takes into account existing and emerging international data standards with respect to blockchain and smart contracts. To this end, the Working Group should maintain open channels of communication with Standards Australia.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 15

The committee recommends that the Department of Industry, Science, Energy and Resources (DISER) regularly publish information about the National Blockchain Roadmap's implementation and the evaluation of that implementation.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 16

The committee recommends that, as this is a quickly evolving technological and policy space, DISER act flexibly and responsibly with regards to reviewing, amending and updating the National Blockchain Roadmap as appropriate.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 17

The committee recommends that National Cabinet consider supporting a blockchain land registry initiative as a pilot project for Commonwealth-State cooperation on RegTech.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 18

The committee recommends that the Australian Government consider how best to improve clarity with respect to the standing of smart contracts under Australian law as a matter of priority.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 19

The committee recommends that the Australian Government review the global talent visa program and Hong Kong visa arrangements to ensure international competitiveness, including consideration of salary caps, age thresholds, turnover requirements and key criteria.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 20

The committee recommends that the Australian Government, when undertaking the review of the global talent visa program, consider providing clearer policies and guidelines on the identified target sectors.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 21

The committee recommends that the Australia Government consider the introduction of more permanent residence visa options for employees of high-value businesses relocating to Australia.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 22

The committee recommends that the Australian Government review its approach to the promotion of Australia as a destination for international talent in the FinTech and RegTech sectors, including through focussed marketing of the Global Talent Scheme and the Global Business and Talent Attraction Taskforce in target jurisdictions.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.

Recommendation 23

The committee recommends that the Australian Government consider mechanisms to improve visa administration, including faster processing times, and ongoing review of visa eligibility to ensure visa categories are adaptable and responsive to market changes in the FinTech and RegTech sectors.

Australian Government response

The Government **notes** this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate.
