

Modernising Business Registers & Director Identification Numbers legislation

Submission to the Treasury
October 26, 2018

'Tell Government Once' through modernisation

The Australian Chamber of Commerce and Industry (Australian Chamber) welcomes the opportunity to respond to the Modernising Business Registers (MBR) and Director Identification Numbers (DINs) legislation.

The consolidation and modernisation of the Australian Business Register (ABR) and the 31 Australian Securities and Investments Commission (ASIC) business registers onto a single platform is welcome and long overdue. The consolidation of business registers will simplify business' interactions with Government and reduce duplication. It will ensure that businesses need only 'tell government once'. As such, the Australian Chamber strongly encourages the government to implement the MBR program and DINs as soon as possible.

Modern government registry regime

As we noted in our submission in August 2018, we support a legislative framework that is principles based to ensure the proposed Registrar has the legislative remit to fulfil its functions as technology progresses.

The Australian Chamber supports the government's intention of providing a legislative framework for the modern government registry that is flexible, technology neutral and governance neutral. Ideally, eventually all government registries would be consolidated onto one platform to streamline interactions between government and businesses/individuals. The Australian Chamber is supportive of a flexible framework that allows future registers to be brought into the new regime under future reforms.

Under the proposed legislation, a concern is that the Registrar is responsible for making data standards relating to the performance of its functions and powers. In parallel to the current consultation process taking place for the MBR and DINs, Treasury recently concluded a consultation process on the Treasury Laws Amendment (Consumer Data Right) Bill 2018. The Treasury Laws Amendment (Consumer Data Right) Bill 2018 proposes the appointment of a body to be the 'Data Standards Body'. Initially to be undertaken by Data61, the body is intended to explain the process and format of how data is to be provided under the Consumer Data Right (CDR) system.

Given the current heightened interest in data by the international and domestic community, and the sheer amount of data generated across the world, the Australian Government is understandably

developing rules to govern developments relating to data. As the Productivity Commission noted in its Inquiry Report, the potential value of data is tremendous and there is need to handle data in such a way that retains community trust and an organisation's reputation.¹

Although the purpose of the CDR system is quite different to the purpose behind the MBR program, the same thing underpins both: data. These are also just two examples of where government is developing, or has developed, its legislative approach and relevant data standards to particular types of data. The potential risk is the development of differing and conflicting approaches to data.

As it stands, the ABS, AIHW, DTA, Finance, NAA and OAIC all have guidance material on the use of data. As other areas develop their own approaches to data, such as the CDR and now the MBR, the government will need to apply numerous data application rules from various sources, a "new" area of potential administrative red tape.

Guidance material on the use of data issued by different bodies could contradict one another, become out of date or create ambiguity. The National Data Commissioner (NDC) could oversee guidance material produced by different government agencies, and provide recommendations where it doesn't support the Government's open data policies or contradicts other guidance material. Alternatively, a 'Data Standards Body' could be created to develop and publish data standards for **all** government held data. A consistent approach to anonymisation, for example, will be very important in securing privacy of data.

For the purpose of simplifying regulation, the Australian Chamber supports the application of the proposed legislation's protection and disclosure regime to the exclusion of other Commonwealth secrecy provisions. Wherever there is regulatory overlap and multiple provisions apply, it is important to simplify the applicable regulations to ensure easy compliance.

The Australian Chamber also reiterates our August 2018 submission's statement in terms of fees to use the register - the Australian Chamber does not believe registry fees should go towards consolidated revenue. Registry fees should go towards improving the register and improving the information therein. Registry access fees should not be considered a government revenue stream. Business registers play an important part in ensuring the integrity of the system and it's vital that the infrastructure underpinning it is fit for purpose.

Director Identification Numbers (DINs)

The Australian Chamber fully supports the implementation of Director Identification Numbers (DINs). We agree with the DIN being a unique identifier that continues to be allocated to a particular person, regardless of whether they change directorships or not. In this respect, we see the DIN unique to each person in a similar way to a tax file number (TFN).

We support, as mentioned in our August 2018 submission, persons providing 100 points of identification to receive a DIN. This is a familiar verification of identity process used commonly in other areas. There are also agencies and systems already in place that can complete these checks digitally. We understand this will be dealt with in the data standards.

The Australian Chamber recommends the identification data underpinning the DIN be verified periodically between government agencies, rather than requiring directors to update their DIN information every time their personal details change. This could be applied in conjunction with the MBR program. As such, the Australian Chamber recommends the MBR program and DIN be implemented simultaneously.

¹ Productivity Commission 2017, *Data Availability and Use*, Report No. 82, Canberra, pages 4, 11



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About the Australian Chamber

The Australian Chamber of Commerce and Industry speaks on behalf of Australian Businesses at home and abroad.

We represent more than 300,000 businesses of all sizes, across all industries and all parts of the country, making us Australia's most representative business organisation.

Telephone | 02 6270 8000 Email | info@australianchamber.com.au

Website | www.australianchamber.com.au

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