



Australian Government

Modernising Business Registry Services

Discussion Paper

Introduction

The Australian Government has committed to simplifying its interactions with business to support growth, innovation and employment.

The National Business Simplification Initiative, announced in 2016, aims to reduce the time that businesses spend complying with regulations and interacting with government so that they can focus on growing their business, creating more jobs, and developing new products and market opportunities. The Initiative is a Commonwealth led agreement between federal, state and territory governments to work together to make it simpler to do business in Australia.

As part of the Initiative, the Government is considering options to streamline key business registry functions and upgrade IT infrastructure to provide more user-friendly, modern registry services.

The purpose of this document is to provide background on business registers, propose a vision for the modernisation of registry services and to engage with key stakeholders to understand where there are opportunities to deliver more for users, including around increasing the openness of register data. In particular, the Government is interested in understanding the potential impacts of bringing together ASIC registers and the ABR. This feedback will be used to inform the development of options to modernise registry services and deliver better services for business.

Additional background information can be found at **Appendix A**.

Scope

As a first step, the Government is considering options to improve the 31 registers (including the Companies Register and the Business Names Register) managed by the Australian Securities and Investments Commission (ASIC), and the Australian Business Register (ABR).

Other registers, including those administered by state and territory governments, are out of scope of this discussion paper.

Consultation Process

The Government is seeking feedback from a broad range of stakeholder groups regarding their experience in using the registry services in relation to the 31 ASIC registers and the ABR.

Consultation with stakeholders will be ongoing. It is anticipated that consultation will examine several different elements of the modernisation of business registers, including technology, governance, user experience, data accessibility and legislation.

Consultation questions

What do you see as the main strengths with existing business registry services? How does this support your business?

What do you see as the main weaknesses with existing business registry services? Does this significantly impact on your business (e.g. time or costs)?

What would you like modernised business registry services to deliver for you in the future? How would you prioritise these?

What would be the advantages of bringing together the ASIC registers and the ABR within a single agency? How might this impact businesses, intermediaries or other users? Do you have concerns about a single agency being responsible for consolidated registry services?

Do you see other opportunities to reduce duplication of business registers and associated services across government?

What advantages or disadvantages would there be in a consolidated set of business data, for example in accessing data, updating business information, data confidentiality?

Would more open and accessible registry data benefit business and/or the wider economy? How/why?

Do you have a view on the steps the Government could take to make registry data more open and accessible? For example, do you have a view on the format of data, frequency of data released, platforms for release, or pricing?

Is there business data that would be useful to collect in a modernised registry service, but currently is not being collected or published? Do you have concerns about the publication of certain data?

Is there any information currently collected by the Commonwealth that is, in your view, redundant?

Information confidentiality and security is paramount. Do you have a view on how security should be maintained, and/or how users can be empowered to manage permissions relating to their data held in registers?

What are the implications for business of changes to the way registers are currently delivered? For example, the cost of updating systems, products, or changes to any customer services?

We understand any changes may impact your business and sufficient lead time will be required. How would you like to be involved in any future changes?

How long would parallel services (new and old) be required for you to transition your software and customers?

Overview of Australian Government business registers

Businesses and governments rely on the information contained in business registers. They expect register information to be accurate, complete and up to date; however, this imposes burdens on businesses that are required to provide information to the registers. Minimising this burden and optimising the user experience, while maintaining the reliability of register data, is an important aim in the delivery of registry services.

The Australian Government manages a number of registers that provide important information and assurance to businesses, government and the public, underpinning the operation of a large part of Australia's financial system and economy. These also operate alongside many state and territory-based registrations and licensing processes, such as liquor licenses or trades licences.

Key business registers

The Australian Business Register (ABR)

The ABR is a national database of information collected when businesses and other organisations register for an ABN. The ABR is used by businesses and the community to verify business details and by government agencies to plan for infrastructure and service delivery, as well as manage disaster response and recovery. Over 500 agencies currently download information from the ABR. The Australian Business Registrar, the Commissioner of Taxation, is responsible for the administration of the ABR, which includes allocating and maintaining ABNs.

The Companies Register

The Companies Register is a national database of information about companies registered under the *Corporations Act 2001*. It is used by businesses to register as a company, which creates a separate legal entity to its owners. The register is also used by many other stakeholders to search information about companies for a range of purposes. ASIC is responsible for the administration of the Companies Register.

The Business Names Register

The Business Names Register enables businesses to register a name under which it will trade. This enables businesses to identify themselves to customers and to differentiate them from competitors. In Australia, unless a person or company trades under their own name or falls within an exemption, they must register a business name. The Business Names Register provides information on the identity of the person or organisation behind the business name and their contact details. ASIC is responsible for the administration of the Business Names Register.

Business registers deliver a range of functions – from registration, to licensing, to recording business interests in assets, and assisting business to meet reporting obligations and access government services. Business registers assist the business community and government, including supporting:

- the efficient entry of new participants that enables market competition;
- access to business information such as an individual business' legal status or adherence to industry standards;

- the development of new products and services, by providing comprehensive datasets that can be analysed to identify insights and new opportunities; and
- better targeting of existing government services and the creation of new services that meet business and broader societal needs.

To establish a business, a person will register with at least one of the three key Australian Government business registers: the Companies Register; the Business Names Register; or, the Australian Business Register. Some businesses will not need any further registrations to operate.

The information held in registers is used by business, government and third parties with appropriate permissions for a range of other purposes, including:

- assisting businesses in confirming the legitimacy of other businesses
- informing policy development
- identifying business needs and trends; and
- providing opportunities for developing new products and services.

These registers have been established over time for specific purposes, using available technology at the time. This means that some registers are now operating on outdated technology. For example, the Companies register was established in 1991 when the Corporations' powers shifted from state and territory governments to the Commonwealth. The Australian Business Register (ABR) was created in 1999 when the goods and services tax was introduced to make it possible for business to deal with government using one business identifier. The Business Names Register was created in 2011 to allow entities wishing to trade with a name different to their entity name, to register their business name once on a national register, regardless of where they trade in Australia.

Key facts

- There are more than 2.2 million companies on the Companies Register.
- There are more than 90 million searches per year on ASIC registry services, which support the delivery of services across the economy.
- There are over 7 million active ABNs.
- Almost all Companies and ABNs are registered online, demonstrating this is far and away the most preferred method for people starting a business to begin to engage with government.
- The ABR is used by over 500 agencies, and its public data is searched over 900 million times per year, forming an integral part of many business processes.

The ASIC registry services tender

The Government announced in the 2014-15 Budget that it would commission a scoping study into future ownership options for the ASIC registry functions. This included the Companies Register, Business Names Register and 29 other registers managed by ASIC.

Following consideration of the scoping study, the Government announced in the 2015-16 Budget that it would undertake a tender process to test the capacity of the private sector to upgrade and operate ASIC registry services. A competitive tender was conducted in 2016.

In December 2016, the Government announced it would not engage a private operator, taking into account the overall financial benefits as well as the costs to Government.

The user experience is not meeting public expectations

The Australian Government has received feedback that businesses find it confusing to deal with multiple agencies. They see government as a single entity and do not understand why they need to provide the same information more than once.

Currently, entities that engage with government to meet compliance, legal and regulatory requirements, maintain registrations and licenses, or obtain relevant information about businesses must do so through each responsible agency. Users need to understand which agency is responsible for a particular business registry service in order to conduct their affairs. This increases the complexity of maintaining and accessing business information.

The new Business Registration Service (BRS) is helping to make it easier for businesses by bridging key Commonwealth Government registration processes in a joined-up service. While this has addressed a number of pain points for businesses, they still need to engage with individual responsible agencies to maintain their registration and meet ongoing compliance requirements. This situation is creating an unnecessary time and cost burden on businesses.

Example:

There are 1.86 million businesses with ABNs that are also companies. The BRS now helps a business register as a company and obtain an ABN at one time.

These businesses, however, will need to engage with ASIC and the ABR separately to meet the ongoing compliance and reporting activities associated with these registrations. In addition, any time they need to update even basic business details, they will need to contact each agency separately.

This burden takes already time-poor business owners away from their core business.

In addition, software developers and information brokers which use business data to deliver services to business, also need to engage with multiple agencies to obtain the information they need to develop their products. As each agency has its own systems, technologies and refresh schedules, this increases the complexity for these stakeholders which in turn increases costs for them and their customers. It is also likely that this disconnected environment is limiting the opportunities for third parties to innovate and provide higher value products and services to business.

Modernised business registry services

Through the modernisation of the ASIC registers and the ABR, the Australian Government wants to support business and improve the way registry services are delivered.

Due to the need to upgrade the IT infrastructure currently being used for ASIC registry services, all 31 ASIC registers that are hosted on the existing IT infrastructure are within the scope of this project. A full list of the ASIC registers is at **Appendix B**.

It is envisaged legislative changes will be required to support the full modernisation of business registers. Further information on this is at **Appendix C**.

Vision

Business registry services support whole-of-economy outcomes through the provision of integrated, seamless services that are user-centric, minimise duplication and deliver capabilities that meet business requirements.

The modernisation of business registers will deliver on the Government's whole-of-government digital transformation agenda, be adaptable, flexible, scalable and cost effective.

Principles for modernised business registry services

The Government's objectives in modernising the existing business registry services include:

- Maintaining reliability and trust in registry services;
- Reducing complexity for business in managing their legal and regulatory obligations to government, including through bringing registry services together where possible;
- Reducing the long-term economic cost for government's provision of business registry services, and reducing costs to business.
- Through the Public Data Policy Statement, the Australian Government has committed to releasing non-sensitive data by default and optimising use of public data. Modern business registry services would allow the Government to consider additional ways to progress this. More information on this is at **Appendix D**.

Appendix A

Additional Background

Overview of Australian Government Business Registers

An initial analysis across Australian Government agencies indicates there are many existing registers being used for a range of purposes related to business. Broadly, these fall into five categories:

1. Business registration – enables the creation of a legal entity or to obtain a business identifier, e.g. Australian Business Register (ATO), Business Names Register (ASIC), Australian Companies Register (ASIC), and the Indigenous Corporations Register (PMC).
2. Business permits, licences and accreditations - enables a business to be recognised as a certain type of business, carry on a specific type of activity, or to be an approved provider of services. A business may register an attribute due to a regulatory requirement to do so or as a way to qualify to service a particular market/client, e.g. GST registration (ATO), Australian Financial Services Licensee Register (ASIC), and Australian JobSearch provider (DSS).
3. Asset and product registers – record physical or intellectual property for which a business may have rights or an interest, or eligibility of products for sale e.g. Managed Investment Schemes (ASIC), Personal Property Securities Register (AFSA), Prosthesis List (Health).
4. Business reporting – records periodic business reporting required under legislation, e.g. Financial statements of reporting companies and financial services licensees (ASIC), Workplace Gender Equality Register (WGEA).
5. Online services registration – registration for access to online services, e.g. the Centrelink Business Online Services (DHS), Registered Agent (ASIC).

Category One registers are considered most relevant for simplifying business to government interaction as they are likely to be the registers used by the majority of businesses in the establishment and operation of their business. Category Two registers are also likely to be commonly used and important for business operation, particularly where registration is required in order to deliver services. Therefore, categories three to five are out of scope of this discussion paper, except for any of the 31 ASIC registers which may fall in those categories.

Category One – key business registers

The four key business registers (Australian Companies Register, Australian Business Register, Business Names Register and the Indigenous Corporations Register) are a critical part of Australia's economic infrastructure, enabling the creation of a legal entity (a business or company). The key business registers enable companies to operate in Australia with transparency and accountability.

The efficient and effective functioning of these registers helps to create the trust required for businesses to confidently transact in the marketplace, and underpin the successful operation of the Australian economy.

Category Two – Business attributes

Many agencies manage registers, or databases, which contain business details for the purpose of determining whether a business may undertake a specific activity. This may provide a licence or may give some other authorisation for a business to deliver certain services.

In addition to the key business registers operated by ASIC, it operates many registers that provide authorisation for businesses to undertake specific activities related to financial services. These registers form part of ASIC's registry function and are also housed on ageing technology that requires upgrading. They would also draw on the key business register data.

Other agencies managing registers of business details for their own purpose often draw on data from the key business registers to inform their decision making and risk assessment. They may search the ABR to confirm a business has an ABN or request searches from ASIC to gather information on company directors or identify any issues which would prevent a business from undertaking work for, or funded by, government.

Related initiatives to streamline business interactions with government

National Business Simplification Initiative (NBSI)

The Australian Government has committed to simplifying business interactions with government to support growth, innovation and employment. Under the NBSI, the Government is already taking steps toward this goal. There are a number of projects being implemented to join up Australian services, as well as targeted projects with state and territory governments to relieve some of the pain points created by the complexity of regulation at different levels of government.

The NBSI aims to deliver better regulation and better business services. By better business services, the government aims to:

- improve the experience for businesses by providing more personalised information and advice – provide life event information, dynamic online content, in-channel help services and push communications.
- simplify transactions by enabling pre-population and pre-qualification – ability to 'tell us once', ability to use natural business systems to transact with government and whole of government integration to reduce complexity.
- develop a joined-up business identity across governments and agencies to streamline the business experience – streamlined authentication and managed authorisation.

Business Registration Service (BRS)

The BRS has joined up a range of existing Australian services to provide a streamlined user experience that reduces the time to register a new business or apply for additional new registrations.

The BRS is being rolled out in phases. The initial phase enables sole traders, companies and partnerships (approximately 85 per cent of all new business registrants) to apply for their ABN, business name, company registration, AUSkey and various tax registrations including PAYG withholding, GST and FBT.

The BRS guides businesses through the process of understanding the best business structure for their needs, identifying the relevant business and tax registrations to apply for, and completing the registration process.

This service is simpler, clearer and faster for users. It saves businesses time and money as key data can be re-used and there is no need to move between different websites or applications. The joined-up service supports business to meet their obligations and not waste time applying for registrations that they do not need. Businesses will initially contact the business.gov.au call centre if they have issues in completing their registration processes, however, they may still be directed to other responsible agencies for more specialised assistance.

While providing a benefit to new businesses in completing their initial registrations, the BRS is not able to provide the same support to meet the ongoing activities needed to maintain registrations and meeting compliance obligations. As many registers require businesses to update their details on an ongoing basis, provide reporting and meet compliance obligations, businesses will need to continue to do this by interacting with individual agencies. This can lead to discrepancies within the data held in different registers as businesses update some registers and not others, and add to the time and cost for business in having to interact with agencies multiple times, sometimes to provide the same information.

The Digital Service Standard (DSS)

All services designed or redesigned after 6 May 2016 fall within the scope of the Standard and must be assessed against it. The DSS criteria are:

1. Understand user needs
2. Have a multi-disciplinary team
3. Agile and user-centred process
4. Understand tools and systems
5. Make it secure
6. Consistent and responsive design
7. Use open standards and common platforms
8. Make source code open
9. Make it accessible
10. Test the service
11. Measure performance
12. Don't forget the non-digital experience
13. Encourage everyone to use the digital service

Further information about the DSS can be found at <https://www.dta.gov.au/standard/>.

Appendix B

List of ASIC registers

1	Australian Company Register
2	Business Names Register
3	Managed Investment Scheme (MIS) Register
4	Registerable Australian Bodies Register
5	Foreign Companies Register
6	Reserved Company Names Register
7	Credit Registered Persons Register
8	Unlicensed Carried Over Instruments Lenders Register
9	Company Charges Register
10	Financial Adviser Register
11	Registered Liquidators Register
12	Registered Company Auditor Register
13	Self-Managed Superannuation Fund (SMSF) Auditor Register
14	Australian Financial Services Licensee (AFSL) Register
15	Authorised Representative Register
16	Future Licensees Register (Pre-FSR) – immutable
17	Licence holders (Pre-FSR) – immutable
18	Securities representatives (Pre-FSR) – immutable
19	General insurance brokers (Pre-FSR) – immutable
20	Future representatives (Pre-FSR) – immutable
21	Foreign insurance agents (Pre-FSR) – immutable
22	Life insurance brokers (Pre-FSR) – immutable
23	Australian Credit Licensee Register
24	Australian Credit Representative Register
25	Carbon Registrants Register
26	Trustees for Debenture Holders Register
27	Disqualified persons register
28	Credit banned/disqualified [persons] register
29	AFS banned/disqualified persons register
30	Banned securities representatives register (pre-AFS licences)
31	Banned futures representatives register (pre-AFS licences)

Appendix C

Supporting registry modernisation through fit-for-purpose legislation

A modern registry would be capable of adapting to changes in technology, emerging international and domestic trends and policy over time.

It is envisaged that legislative change will be required to support modernisation in four main areas:

- technology neutrality: ensuring users of registries are benefiting from the government's adoption of new technology well into the future;
- platform support: allowing the Government to meet its Digital Service Standard which requires that government investments in technology be reusable. This means new investments in registry technology will avoid duplication.
- responsibility for registry functions: allowing the Government to reorganise how registry services are provided, including allowing the government to provide better joined-up support to users;
- government administration: allowing the Government to streamline its traditional processes to be consistent with the improved capability that new technology offers.

Further policy developments

At a future point, the Government may also consider how best to achieve other policies related to the operation registries and would consult on any proposals developed at that stage.

Appendix D

Supporting the government's open data policy

Data is an element of core national infrastructure and there is widespread recognition that open data empowers individuals, businesses, academics and other members of the public to create opportunities that governments are not able to envisage.

As part of the National Innovation Science Agenda, the Government has committed to an open data policy in the Public Data Policy Statement.

A more modern registry would allow the Government to consider additional ways to make progress in meeting its open data objectives where:

- paywalls that restrict access to data are modified so that data is priced appropriately (for instance, in some cases it may be appropriate to make some data free or better reflect the more contemporary estimates of the cost of provision);
- access to data is in a format that is easy to use and reuse; and
- privacy and security is maintained while more information that is collected by registrars is disclosed.

Feedback questions provided earlier in this document invite you to provide your views on how this could be achieved.