



SUBMISSION

Modernising Business Registry Services

SEPTEMBER 2017

The Business Council of Australia is a forum for the chief executives of Australia's largest companies to promote economic and social progress in the national interest.

This is the Business Council of Australia's submission to the Modernising Business Registry Services discussion paper released by the Treasury in August 2017. The Business Council is supportive of the government's desire to streamline key business registry functions and upgrade the relevant IT infrastructure that underpins these public resources.

Consolidate and improve the transparency of Business Registry Databases

The federal government is inviting submissions on ways to streamline its business registry functions.

Business registry databases that are operated by the federal government can serve a variety of important purposes in the economy. Primarily, such resources can enhance trust between parties that are seeking to quickly and easily ascertain the legal status of another business entity (or an individual). Easy access to trusted information can reduce friction within the economy and facilitate efficient commercial transactions.

However, the proliferation of registries and the inability to easily search for key business characteristics greatly reduces the potential value of these resources.

Registers can also be expensive to maintain and update to reflect changes in information. The greater the number of registers, the greater the cost and the greater the risk that out-of-date information will be displayed. It makes sense to reduce the number of registers where possible and to only maintain registers where the benefits of doing so exceed the costs.

The discussion paper notes that there are currently 32 registers operating at the federal level alone. These include the Australian Business Register (ABR), which is a national database of information collected when businesses and other organisations register for an Australian Business Number (ABN), plus a further 31 registers that are managed by the Australian Security Investment Commission – see Attachment A.

This submission supports the rationalisation of business registers. Once the process is complete it is recommended that:

- The federal government should create a website that lists all the remaining registers, categorises them according to their purpose (e.g. whether they are a registry of businesses or individuals) and provides stakeholders with basic information about the purpose and ongoing rationale for existence of each register.
- Each register should be easily searchable online, and
- The rationale for the retention of business registers should be reviewed every five years.

The need for a Small Business Register

The Business Council of Australia supports the creation of a new Small Business Register, as recommended by the Australian Small Business and Family Enterprise Ombudsman in the final report of the Payment Times and Practices Inquiry (April 2017).

The creation of a small business register will greatly assist governments and businesses to deliver targeted programs to small businesses, including in the supply relationship. It will be a credible source of information for parties wishing to verify the small business status of another business.

For instance, the Business Council recently launched the Australian Supplier Business Code, a voluntary initiative which commits signatories to pay their small business suppliers within 30 days of receipt of a correct invoice.

Some businesses that have signed the Code (or are intending to sign the Code) have advised that a potential compliance hurdle is the inability to easily identify when a supplier is a small business.

A small business register would allow Code signatories to easily verify eligible small business supplier according to their ABN. It could also be used to verify the eligibility of small businesses for a suite of other government and business programs.

The establishment of a small business register may also assist government to consolidate the many different definitions of a small business that apply across government agencies and programs. For instance, Fair Work Australia, the Australian Securities and Investment Commission and the Australian Tax Office all use a different definition of what constitutes a “small business”.

The Australian Bureau of Statistics (which defines small business as having fewer than 20 employees) found that in June 2016, there were over 2.1 million actively trading small businesses in Australia¹. However, at present, none of the 32 business registers that are operating at a federal level enable users to easily identify these individual small businesses.

The establishment of a small business register will remedy this deficiency and benefit small businesses and the wider economy. Just by supporting the wider and easier take-up of the Code alone, it will facilitate businesses paying its small business suppliers promptly and on time. This will support healthy cash flows and working capital, and ultimately support the ability of small business to compete and expand.

¹ Australian Bureau of Statistics, 8165.0 – Counts of Australia Businesses, including Entries and Exits (June 2012 to June 2016)

Attachment A (Name of ASIC registers listed in the discussion paper)

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)

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