



Australian Government



Australian  
**Small Business and  
Family Enterprise**  
Ombudsman

26 October 2018

Matthew Sedgwick  
Consumer and Corporations Policy Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

By email: [Regmod@treasury.gov.au](mailto:Regmod@treasury.gov.au)

*Matthew*  
Dear Mr Sedgwick

### **Modernising Business Registers and Director Identification Numbers legislation**

We support the modernisation of business registers on the understanding that a single portal will be developed for business owners to provide and maintain all information relevant to the underlying registers. We strongly support the introduction of Director Identification Number (DIN) and recommend this is the existing tax file number of the individual rather than a new number being created.

#### **Single Portal**

For an integrated system to succeed, state-of-the-art technology is required. This is to establish a single portal for provision of data, offer the functionality and flexibility to utilise applications of the day and be able to integrate with new technologies.

We recommend using this opportunity to capture key identifiers of a business. At initial registration then updated as various registrations are renewed. This would address the confusion created by the multiple definitions of what constitutes a small business. Rather than define a small business, have businesses select a bracket against a set of commonly used parameters that indicate their size and maturity.

For example, capturing the current number of employees. A large corporation could check the register to confirm if a supplier is a 'small supplier' and entitled to payment terms of less than 30 days where its definition of 'small' is less than 20 employees. In the banking sector, it would aid banks to identify small businesses entitled to the protection of the Banking Code of Practice.

Some parameters that could be considered include:

- Number of employees (<4, 4-20, 20-100, >200)
- Turnover (<\$2m, \$2-\$5m, \$5-\$10m, >\$10m etc)
- Date established (to gauge maturity of business)

#### **Fees**

The proposed new register regime does not change the fees to register, amend or search each database, only who collects them. This will result in the accumulation of fees to a value that does not reflect the true cost of maintaining a simplified data base under a single Registrar.

T 1300 650 460 E [info@asbfeo.gov.au](mailto:info@asbfeo.gov.au)  
[www.asbfeo.gov.au](http://www.asbfeo.gov.au)

Office of the Australian Small Business and Family Enterprise Ombudsman  
GPO Box 1791, Canberra City ACT 2601

A review of how a graduated fee can be applied in the new regime must be undertaken hand-in-hand with development of the data standard. The new fee structure should be appropriated to the size of business and scaled to reflect the complexity of a specific activity. The fees should reflect both the capacity to pay and the cost of running the register.

### **Sharing data**

We will monitor with interest the components of the data standard and what information will be available publically. While it is acceptable that personal data, such as your home address, should not be shared, in the spirit of open data, key identifiers of businesses should be searchable for a minimum fee or no free when a search is in the public interest.

As different registers are brought into the new regime, fee for searching should not be duplicated. A single registry search fee should be applied even when seeking multiple pieces of information.

### **Director Identification Number**

While the data standard and method of verification for the DIN is yet to be designed, we would propose using the individual's Tax File Number (TFN). The current *Review of national arrangements for the protection and management of identity information* is focussed on data and privacy protection of individual identity and can serve as a guide in strengthening verification. If followed, reviewing the collection and sharing of information, and better coordination and targeted government services, will enhance the integrity of DIN information and verification.

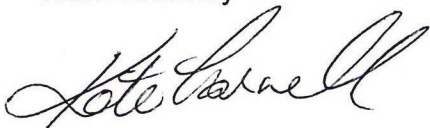
### **Penalties**

We support the proportional approach to enforcement through the adoption of civil penalties and offences that are broadly consistent with current penalties applicable to comparable provisions in Corps Act and CATSI Act.

Of concern is ensuring that the party liable for an offence is provided notices of a breach prior to penalties applying. For example, failure to renew a company registration should be sent to both the nominated representative of a company, which may be the accountant, and the directors of the company. This will ensure the party that will be penalised, the directors, will have reasonable notice of, and adequate time to rectify, a breach.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Jill Lawrence on [REDACTED] or at [REDACTED].

Yours sincerely



**Kate Carnell AO**

Australian Small Business and Family Enterprise Ombudsman