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Data Economy Unit
Consumer Data Right Division
The Treasury
Langton Crescent
PARKES ACT 2600
Via Email: regmod@treasury.gov.au

Dear Sir/Madam,

Consultation - Modernising Registry Fees

As a major Credit Reporting Body within the Australian credit landscape, illion welcomes the opportunity to provide feedback to Treasury on the **modernisation of registry fees**.

illion fully supports the Commonwealth Government's objectives, to broader accessibility and availability of ASIC's data to the public. We believe that having access to high quality, up-to-date business data not only provides a macroeconomic benefit to the business community but also helps to provide our customers with trusted insights on Australian businesses.

illion does, however, hold some concern around a fee structure that does not provide sufficient incentives for data providers to innovate and create products or services with value to the end customer. We believe it is in the interest of the market to be driven towards solutions that not just use raw ASIC and ABR data but assist banks, other financial services providers and other businesses to make informed credit and risk management decisions and to meet their compliance obligations.

About illion

illion is the leading independent provider of data and analytics products and services across Australasia. The organisation's consumer and commercial credit registries make up a central component of Australia and New Zealand's financial infrastructure and are used to deliver end-to-end solutions to clients. illion provide extensive solutions to reporting entities in Australia that help the reporting entities meet their AML KYC obligations across individuals and non-individuals at onboarding and through the customers lifetime.

Questions

Please note that we have limited our responses to questions where we are directly involved in the provision of services, hence not all questions are responded to below.

1. Are you supportive of a further reduction or removal of digital retail search fees?

1.1. Do you have any concerns about retaining fees on a limited range of searches?

In general, illion are supportive of a reduction in the cost of retail search fees. Access to the data in the company registers is required to facilitate lending and for regulatory compliance purposes such as AML, consequently any reduction in the cost to access this data will result in a knock-on reduction in the cost of compliance creating greater efficiencies across lending services generally.

However, we believe that fees should be retained, at least at some level, for the following reasons:

- We note the intent to move to a retail and wholesale model for access to registry data. For a wholesale model to be commercially attractive for wholesale providers it has to be able to be offered to customers at a lower cost than the retail model. Wholesale providers will incur costs to provide a wholesale service, a differentiation in the cost of retail and wholesale service provides the commercial incentive for wholesales to invest in building a capability. If the retail service is free then no commercial incentive exists for the provision of wholesale services.
- An absence of a fee for retail access could lead to potential abuse of the retail web channel by wholesale providers (and other users) utilising Robotic Process Automation (RPA) techniques to access significant amounts of data. This could create significant load on the data servers with no revenue being generated to compensate and could remove the rationale for a wholesale model.
- The current fee-based model provides commercial incentives for wholesalers of ASIC data to operate in the market. The incentive enables these wholesales to create innovate products that in turn help the wholesaler's customers solve issues, an example of this is solutions that calculate beneficial ownership of companies for the purposes of AML compliance. There is a danger that removal of the fee will remove or reduce the commercial incentive for RegTech companies to invest in innovate products using registry data.

2. Which types of users (or use-cases) should be charged an infrastructure fee? Are there any users (or use-cases) that should be exempt?

illion do not see a justification for access fees for different types of users or use cases, our view is that in order to ensure a level playing field of access a single access model (and costs) should be implemented.

3. If a connection fee is to be introduced, which is preferable: a larger one-off onboarding fee, or a smaller ongoing subscription fee?

Illion's view is that a usage charge is the best mechanism to enable wholesalers to create data products and solutions using registry data. A usage fee is aligned to the commercial model typically adopted by wholesalers and removes a barrier to entry that an infrastructure fee may introduce.

4. If a usage charge is to be introduced how should it be set (e.g. per company, attribute, unit of measurement (e.g. by API call))?

As stated in the previous answer, illion believe a per usage fee for wholesale providers is the best way to capture value for the services that the wholesale providers provide. To provide a commercial incentive for wholesales the per usage fee needs to be set lower than the retail fee.

We would also encourage consideration of tiered volume fees (as adopted by other government registers, for example the Document Verification Service) to enable larger wholesalers to benefit from economies of scale.

Innovative models such as fees per data field present the opportunity for wholesalers to create specific solutions using subsets of ASIC data at lower price points than accessing the current products. Such a model, when combined with volume tier pricing, could drive further innovation around specific solutions, for example AML compliance solutions, where not all of the data in the current ASIC products is required. This could be advantageous to the wider economy.

If there are any questions or concerns arising from this submission, please feel free to contact me at any time at richard.atkinson@illion.com.au.

Yours sincerely,



Richard Atkinson
Head of Product