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17 August 2018

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

Online submission: [regmod@treasury.gov.au](mailto:regmod@treasury.gov.au)

Dear Mr Sedgwick

### **Modernising Business Registers (July 2018)**

I am pleased to make this submission on Treasury's revised discussion paper Modernising Business Registers.

I have over 30 years of experience in accounting technical support functions in the public sector (Queensland Audit Office) and large accounting and auditing firms (Ernst & Young and others) where I have provided accounting and financial reporting advice to staff and clients.

The Modernising Business Registers program (Program) should at least follow world's best practice. This includes following Open Data principles, and making financial data of listed companies available electronically in a tagged format.

### **Open Data**

The Program should comply with the Government's Open Data policy<sup>1</sup>, which is to "make non-sensitive data open by default" and "where possible, make data available for free".

In 2014, Malcolm Turnbull (the then Communications Minister) stated<sup>2</sup> that he thought it was "really regrettable that ASIC's data is behind a paywall".

Current legislation requires ASIC to charge fees for access to company financial information. The Program should involve legislative change to comply with the Open Data policy and to remove all access fees.

The Australian Charities and Not-for-profits Commission (ACNC)<sup>3</sup> already provides free access to financial information lodged with it. Even for companies that until a few years ago were lodging the same information with ASIC where fees were charged!

The current approach of charging fees results in an unnecessary cost impost, and effectively a hidden tax, on businesses using publicly lodged financial information. This approach contradicts the Coalition's proposals to reduce taxes on business.

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<sup>1</sup> <https://www.pmc.gov.au/resource-centre/public-data/australian-government-public-data-policy-statement>

<sup>2</sup> <https://www.governmentnews.com.au/turnbull-blasts-asic-putting-public-data-behind-paywalls/>

<sup>3</sup> <http://www.acnc.gov.au/findacharity>

I support Mr. Turnbull's statement in 2014<sup>4</sup> "Obviously these are tough and troubled times from a budgetary point of view – and there will be all sorts of contractual issues – but really, the productivity benefits from making data freely available are so much greater than whatever revenues you can generate from them." The Program should implement these views.

## Interactive Data

The Program should involve Australia joining many other countries around the world in assisting in the automation of the use of the end product of financial reporting. This involves providing electronically tagged financial statements for listed entities, referred to overseas as Interactive Data, or by its technical name XBRL.

XBRL (eXtensible Business Reporting Language,) allows a 'deep dive' into individual data elements in a set of financial information.

While XBRL and the related iXBRL are already available for use by companies in Australia<sup>5</sup>, the voluntary application has seen little, if any, adoption. More than 2/3 of the world's capital markets are using XBRL<sup>6</sup>. Successful application overseas has involved mandatory application, and with current software, involves little cost to preparers. Countries overseas that mandate Interactive Data / XBRL, for example the USA<sup>7</sup>, make the data freely available.

I have participated in Australian and international XBRL activities. My involvement included leadership roles with XBRL Australia Ltd and membership of the XBRL International Inc steering committee.

Australia is currently not taking the full advantage of the adoption of IFRS (International Financial Reporting Standards). In 1996, the Australian Accounting Standards Board commenced an International Accounting Standards (IAS) harmonisation program, including funding from the Australian Stock Exchange. The aim of the program was for international investors to be able to understand Australian listed company financial reports easily, as those reports would be able to state compliance with IAS.

With overseas capital markets using electronic reporting with XBRL, international investors will find analysing Australian companies requires greater effort as Australian financial reporting is still predominately PDF. For greatest benefit, listed company financial reports should not only comply with IFRS, but also be available in XBRL format.

Yours faithfully,

David Hardidge

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<sup>4</sup> <https://www.governmentnews.com.au/turnbull-blasts-asic-putting-public-data-behind-paywalls/>

<sup>5</sup> <http://asic.gov.au/regulatory-resources/financial-reporting-and-audit/preparers-of-financial-reports/standard-business-reporting/>

<sup>6</sup> <https://linkup.imanet.org/blogs/david-colgren/2018/06/27/techtalk-blog-need-for-digital-assurance-services>

<sup>7</sup> <https://www.sec.gov/edgar/searchedgar/webusers.htm>