

11 February 2019

Adam Bogiatzis
Consumer and Corporations Policy Division
The Treasury
Langton Crescent
PARKES ACT 2600

Email: ASICFunding@treasury.gov.au

Dear Mr Bogiatzis

Treasury Laws Amendment (ASIC cost recovery and fees) Regulation 2019

Governance Institute of Australia (Governance Institute) is the only independent professional association with a sole focus on whole-of-organisation governance. Our education, support and networking opportunities for directors, company secretaries, governance professionals and risk managers are unrivalled.

Our members have primary responsibility for developing and implementing governance and risk frameworks in public listed, unlisted and private companies. They are frequently those with primary responsibility for dealing and communicating with ASIC and interacting with business registries. Our members have a thorough working knowledge of the *Corporations Act 2001* (the Corporations Act). We have drawn on their experience in this submission.

Governance Institute is a member of the ASIC Business Advisory Committee, the Modernising Business Registers Program Business Advisory Group and the Director Identification Number Reference Group.

Governance Institute welcomes the opportunity to comment on the *Treasury Laws Amendment (ASIC cost recovery and fees) Regulation 2019* (the draft regulations).

Exemption of journalists from paying certain registry fees

Governance Institute understands that the exemption from the requirement to pay search fees is in response to increasing demand for access to registry data at no cost and a broader range of journalists who are interested in this information. We expect that extending the fee exemption to a wider pool of journalists will increase the amount of registry information that is accessed and publicised by these media organisations. We understand from discussions with Treasury that the draft regulations are intended to come into effect on 1 July 2019.

Governance Institute does not oppose exempting journalists from paying certain registry fees. We consider that the current company search fees are too high and have recommended to Government that, as part of the MBR Project, the Government reduce its charges for access to company data.

However, increasing the number of journalists able to freely access details on the ASIC register:

- highlights our concerns about the security of our members' personal information which is currently on the register and is publicly available

- increases the importance of introducing, as soon as possible, a modern registry with improved data standards protecting the confidentiality of the personal identifying details of officeholders as well as a DIN regime which includes company secretaries.

Background

Currently, directors and company secretaries are required by section 205B of the Corporations Act to provide the following personal details to ASIC which are then made publicly available on the ASIC register:

- given names and family names
- all former given names and family names
- date of birth
- place of birth
- residential address

Identity theft is feasible if an individual intent on crime has access to the date of birth, residential address and place of birth of another individual. For this reason, all officeholders on the ASIC register are at a heightened risk of identity theft and identity fraud.

For this reason, we have long supported the introduction of a Director Identification Number, (which includes company secretaries), allowing officeholders to be identified by a number rather than by other more personally identifiable information such as their address and place and date of birth. We also support a disclosure framework for the modern registry that maintains the confidentiality of an officeholder's date and place of birth and their address. Governance Institute considers that public disclosure of personally identifiable information on the register should be limited to officeholder name, DIN and service address. We are engaged in consultations with Government on the implementation of both the modern registry and the DIN on this basis.

The MBR and the DIN is unlikely to be implemented until after the changes effected by the draft regulations have been made. Governance Institute is concerned that free access to data is being expanded before improved disclosure frameworks are implemented in accordance with the MBR. Governance Institute recommends that the suggested amendments under the draft regulations be introduced as part of the MBR project rather than precede it.

Yours sincerely,



Megan Motto
CEO