

20 December 2018

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

Via Email: regmod@treasury.gov.au

Dear Mr Sedgwick

Consultation Paper – Modernising Business Registers Program – Review of Registry Fees

Thank you for the opportunity to provide a submission on the Consultation Paper *Modernising Business Registers Program – Review of Registry Fees* (the **Consultation Paper**).

The Australian Institute of Company Directors (**AICD**) has a membership of more than 43,000 including directors and senior leaders from business, government and the not-for-profit (**NFP**) sectors. The mission of the AICD is to be the independent and trusted voice of governance, building the capability of a community of leaders for the benefit of society.

The AICD supports the Government taking a principles approach to the review of the registry fees under the Modernising Business Registers Program. We consider the principles expressed in the Consultation Paper - making fees simpler, easier to understand and more equitable - a sensible approach to the development of a funding model for future registry operations.

Our submission is limited to comments regarding the simplification or removal of search fees for digital interactions.

As a general principle, we support the removal of search fees for digital interactions. In the case of company, director and officer information, we consider that transparency is important and will help stimulate business activity and develop knowledge that can benefit all Australians. Data being made openly available to the public is consistent with the Government's recently implemented Open Data policy and consistent with the some other registers, such as that for charities through the Australian Charities and Not-for-profits Commission.

However, we also note the guidelines available on the Australian Government 'data.gov.au' website¹, for which the Digital Transformation Agency is responsible. These indicate that such open data does not include any private or sensitive information. It is stated that this is in order to ensure the highest privacy standards are met, and security is not breached. We support

¹ <https://blog.data.gov.au/about-open-data>

this as a principle and consider it critically important that the registers are consistent with the underlying rationale of current privacy laws.

Therefore, the AICD considers it critical that the removal of search fees for digital interactions must be accompanied by the removal of certain personal information from the Australian Companies Register due to concerns related to issues of privacy, cyber-security and personal safety. While we understand that the proposed legislation intends to remove such personal information from the *Corporations Act 2001*, it is important that the disclosure and data standards that are developed by the Registrar over the coming year do not propose to make sensitive personal information of directors and officers available to the public.

In today's modern digital world, personal identity information is a key exploitation target of cyber and identity criminals. Further, external experts we have engaged in this area have indicated that public holdings of identity information are known to have attracted serious and organised crime committed to exploiting this information for criminal misuse. A number of instances exist where it is clear the ASIC public registry has been exploited by criminals, and enduring risks remain, both direct and indirect for directors and officeholders. We are happy to share more information in this area with Treasury directly if requested.

It is worth highlighting that if search fees for the companies register are abolished, but not accompanied by the removal of publicly available personal and private data, then the risk of harm to directors would be significantly increased. This is particularly important to consider given that the Australian Securities and Investments Commission estimates there are approximately 2.7 million individual directors on the current register.

We hope our comments will be of assistance to you. If you would like to discuss any aspect of this submission, please contact Kerry Hicks, Senior Policy Adviser, on 028248 6635 or at khicks@aicd.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Louise Petschler', with a long horizontal flourish extending to the right.

LOUISE PETSCHLER
General Manager, Advocacy