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## **Submission from the Tax Justice Network Australia to Modernising Registry Fees consultation 24 January 2022**

The Tax Justice Network Australia (TJN-Aus) welcomes this opportunity to make submission in response to the *Modernising Registry Fees* discussion paper.

### **1. Are you supportive of further reduction to or removal of digital retail search fees?**

The TJN-Aus supports the removal of digital retail search fees on the registry, as is the case in a number of jurisdictions around the globe.

Search fees should be kept low so that people use the registry to check who they are doing business with and to encourage bodies that have anti-money laundering obligations to do thorough due diligence on corporate entities they are dealing with. Searches can also help employees understand their employer and assist in optimising investment decisions people make. A fee should still apply where paper records exist, due to the costs involved in dealing with paper records for the registry authority.

### **5. Would you support a late fee regime with a single fee for late provision of information and a single fee for late payment? and**

### **6. If so, how should these fees be designed to ensure the information held on the register is current and accurate.**

Given that late fees constituted \$124 million in the 2020-2021 financial year suggests substantial levels of non-compliance in filing on time. Also, the amount indicates there has been no improvement in filing on time compared to 2017 – 2018, when the last consultation on registry fees was conducted and late fees were \$118 million.

Reforms are needed to both make it easier for businesses to comply with their filing and reporting obligations. The Australian Business Registry Services should explore additional mechanisms to remind companies to file on time or that their filing is late to prompt compliance.

TJN-Aus does not oppose a single fee for late provision of information and a single fee for late payment. However, a single fee does mean the fee will have a higher impact on small businesses and be trivial for large corporations. There will be a need to set the fee at a level that provides a sufficient incentive to prompt entities towards compliance. It might be fairer to set a different level of late fees based on the size of the business, with a different fee level for

small, medium and large businesses, despite the slight increase in complexity such an arrangement would introduce.

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## **Background on the Tax Justice Network Australia**

The Tax Justice Network Australia (TJN-Aus) is the Australian branch of the Tax Justice Network (TJN) and the Global Alliance for Tax Justice. TJN is an independent organisation launched in the British Houses of Parliament in March 2003. It is dedicated to high-level research, analysis and advocacy in the field of tax and regulation. TJN works to map, analyse and explain the role of taxation and the harmful impacts of tax evasion, tax avoidance, tax competition and tax havens. TJN's objective is to encourage reform at the global and national levels. The Tax Justice Network aims to:

- (a) promote sustainable finance for development;
- (b) promote international co-operation on tax regulation and tax related crimes;
- (c) oppose tax havens;
- (d) promote progressive and equitable taxation;
- (e) promote corporate responsibility and accountability; and
- (f) promote tax compliance and a culture of responsibility.

In Australia the current members of TJN-Aus are:

- ActionAid Australia
- Aid/Watch
- Anglican Overseas Aid
- Australian Council for International Development (ACFID)
- Australian Council of Social Service (ACOSS)
- Australian Council of Trade Unions (ACTU)
- Australian Education Union
- Australian Manufacturing Workers Union
- Australian Nursing & Midwifery Federation
- Australian Services Union
- Australian Workers Union, Victorian Branch
- Baptist World Aid
- Caritas Australia
- Centre for International Corporate Tax Accountability and Research
- Community and Public Service Union
- Electrical Trades Union, Victorian Branch
- Evatt Foundation
- Friends of the Earth
- GetUp!
- Greenpeace Australia Pacific
- International Transport Workers Federation
- Jubilee Australia
- Maritime Union of Australia
- National Tertiary Education Union
- New South Wales Nurses and Midwives' Association
- Oaktree Foundation
- Oxfam Australia
- Save the Children Australia
- Save Our Schools
- SEARCH Foundation
- SJ around the Bay
- Social Policy Connections
- TEAR Australia
- The Australia Institute
- Union Aid Abroad – APHEDA
- UnitedVoice
- Uniting Church in Australia, Synod of Victoria and Tasmania

- UnitingWorld
- Victorian Trades Hall Council
- World Vision Australia