



Submission on Modernising Business Registers

The Treasury

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The Salvation Army welcomes the opportunity to make this submission on the Modernising Business Registers Program discussion paper. In particular, we welcome the intentions of the Program to increase access to data availability to facilitate greater use and innovation and provide greater flexibility in addressing the black economy. We support stakeholders' concerns expressed in last year's consultation regarding type, format and accuracy of available data and the cost of searching and accessing that data.

The Salvation Army's primary interest in this Program derives from our experience working on the Modern Slavery Bill 2018 which is currently before the Parliament and focuses on the 'data integrity' and 'meeting user demand' aspects of the problem as defined in the discussion paper.

The Treasury will be aware that the Modern Slavery legislation will introduce a new requirement on large businesses and other entities to report annually on their efforts to identify, remediate and reduce risk of modern slavery in their global supply chains. As currently drafted, the bill sets the reporting threshold at not less than \$100 million annual, global revenue. An estimated 3000 entities will be required to report at this threshold.

However, because of the manner in which businesses are currently required to report to regulatory bodies on revenue, it is extremely difficult, if not impossible to know which businesses are subject to the legislation. This uncertainty has the practical consequence of creating an unequal playing field amongst businesses (where those failing to meet their obligations face no financial or reputational consequence and may gain a competitive advantage over those meeting their legislative and ethical obligations). It would also limit the enforceability and effectiveness of proposed penalty schemes for non-compliance.

We will speak to only a portion of the questions within the discussion paper and will elaborate further on the above under Question 2.

Flexible Options for Registers

1. What flexibility would you like to see introduced into the relevant legislation?

The Salvation Army cautiously supports the options laid out on pages 5 and 6 of the discussion paper. However, we stress that flexibility should not come at the cost of integrity, transparency and accountability. The Salvation Army would want further clarification as to what terms might enable a Registrar to determine a piece of information as inappropriate for public access. Without further detail, we submit that this determination should not be absolute, should be subject to appeal where there is a clear reason, and should not undermine or hinder the effective implementation of legislation.



Enhanced Registry Services

2. What modern services should be provided for Australia's business registers?

The Salvation Army broadly supports the examples of enhancements laid out on pages 7 and 8 of the discussion paper. Among these, we would emphasize the need for greater searchability. Currently, information necessary to confirm the list of reporting entities for the proposed Modern Slavery Act is provided to ASIC via PDF and is therefore not readily searchable. The government has allocated 5-6 FTE to the Business Engagement Unit within Home Affairs that will support implementation of the legislation. With potentially 3000 entities expected to be captured under the Act, this is simply not feasible without redirecting the Unit's focus from guiding and supporting business, as well as generating the Australian Government's consolidated report, to trying to work out who has to report. This is not innovative; it is not flexible; and it is not in the interest of business, the public, or those impacted by modern slavery in business supply chains.

It has been proposed that civil society may play a part in determining the list; however, like government, the task would exceed existing non-governmental resources and would also be cost prohibitive.

The Business Register should therefore be more easily searchable, so that all stakeholders, including Government (with the responsibility to ensure compliance with the Act); civil society (with an interest in monitoring implementation of the Act and reporting performance under the Act); and business competitors (with an interest in a level playing field across their industry), are able to know with certainty that all entities required to report under the Act are doing so in accordance with the legislation.

5. What interactions should be considered to ensure the registry data remains up to date?

The Salvation Army strongly supports enhancements that will improve notification processes. With our interest in increasing transparency of slavery risks through corporate reporting, we see business registers as having great potential to supplement other measures aimed to support businesses in meeting their disclosure obligations. There may also be potential to inform businesses of updates in legislation and regulation, not just under the *Corporations Act 2001*, etc, but also other legislation that impacts on them.

To ensure registry data remains up to date, the first aim should be clarity, so regulated entities know what the expectations are. The other key aim should be consistency, where regulated entities report on as consistent a schedule as possible, whilst also aiming to embed requirements into existing business reporting timelines.

While this may already be under consideration, a user-centred data model that enables entities to interact with the system rather than simply submit to it may yield new opportunities, not only for searchable reporting, but also for dashboard-style reminders for important dates, including reporting dates.

In conclusion, we would like to endorse the submission made by the Uniting Church Synod of Victoria and Tasmania, particularly their commentary and recommendations regarding the Director Identification Number.

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