



DESIGN WORKING GROUP AGENDA

Venue: <https://ato.webex.com/meet/natalie.ross> | **1800 888 453** Access code: **577 639 389**

Event Date: Thursday 14 November 2019 **Start:** 3:30pm **Finish:** 5:00pm

Chair: Natalie Ross - Assistant Commissioner, ABR Platforms, ATO

Contact: CBRSstrategicEngagement@ato.gov.au

Members: Chris Denney (ABSIA)
Shami De Silva (BGL Corporate Solutions)
Robert Zitek (Corporate Express)
Yan De Horta, Michael Criss (Equifax)
Kevin Vargordi (Illion)
Andrea Cooper (IRESS)
Andrew Smith (MYOB)
David Field (Ozedi)
Carl Schutte (Reckon)
John McCarthy (Pitcher Partners)
Matthew Addison (Institute of Certified Bookkeepers)
Matthew Prouse, Trevor Stephens (Xero)

Apologies John Ahern (InfoTrack)

ATO: Natalie Ross (Chair), Martin Jacobs, Karen Redhead, Martin Mane, Brian Shepherd, Jason Phua, Aaron Mitchell, Scott McWhirter, Lainie Alexander, Terry Seiver

ASIC: Rosanne Bell, Tim Matthews, Klay Butler, Robin Hayes

Secretariat: Peter Taft, Jenny Coppock, Dana Fedorow, Sam Pickering



Item	Time	Topic	Presented by	Papers
1.	15:30 (10 mins)	Welcome - Action item review	Natalie Ross	No
2.	15:40 (5 mins)	MBR Program update	Martin Jacobs	No
3.	15:45 (15 mins)	Digital Partnership Office overview of ATO's Digital Service Provider Roadmap and Operational Framework	Terry Seiver	Yes
4.	16:00 (25 mins)	Director Identification Number (DIN) - Would DSPs consider consuming the service to facilitate applications for the DIN?	Scott McWhirter Brian Shepherd	Yes
5.	16:25 (20 mins)	MBR Consultation Summary	Karen Redhead	Yes
6.	16:45 (10 mins)	Other Business - DWG Terms of Reference	Natalie Ross	Yes
7.	16:55 (5 mins)	Next steps - Meeting schedule and agendas	Natalie Ross	No

Forward Meeting Agenda Items:

Next Meeting (date tbc)		
MBR program dates and schedules		
Companies transition		

Design Working Group

Action item Register as 31 October 2019

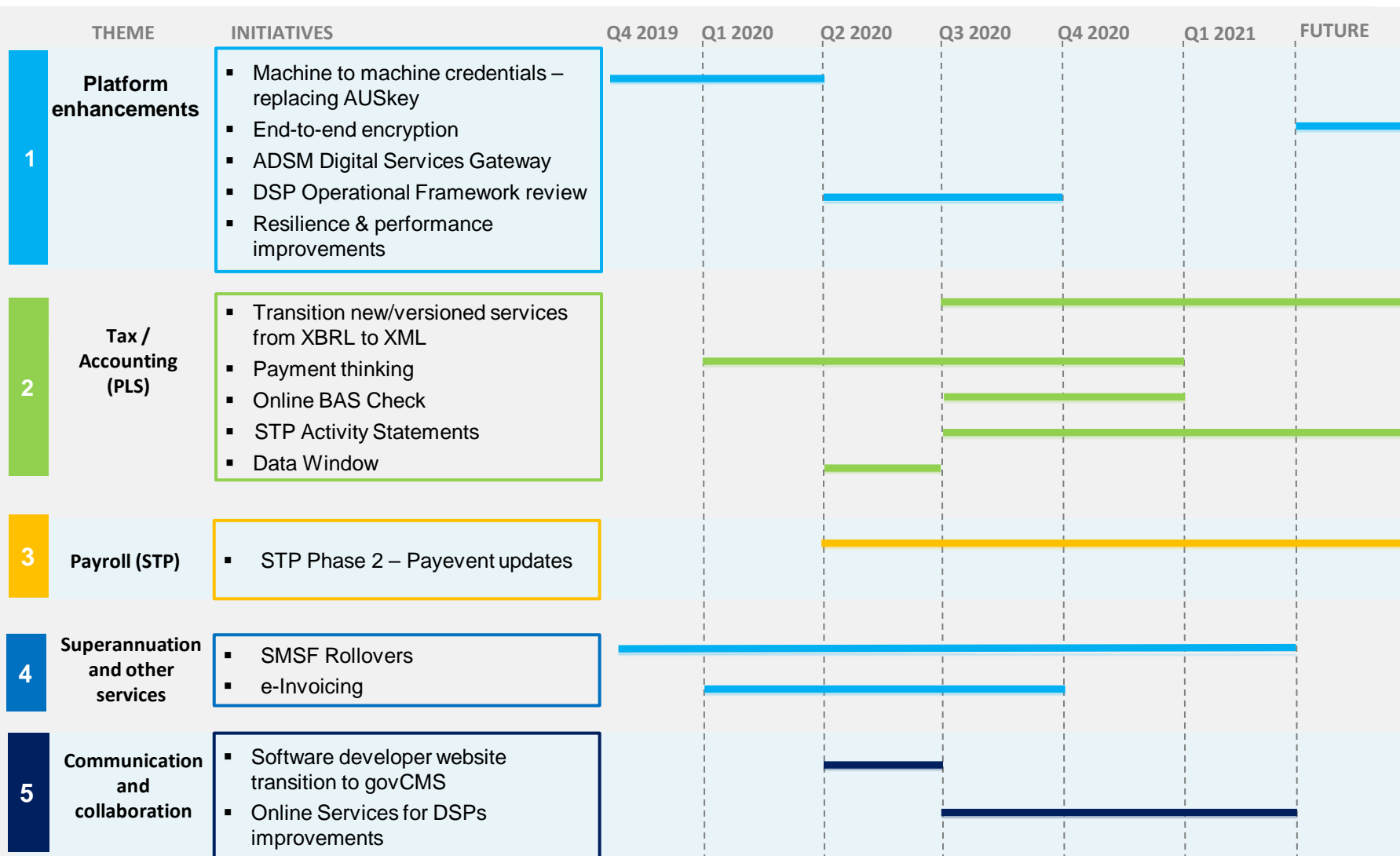
This table shows items not completed, or completed since the previous meeting

Action Item	Who	What	Status
DWG -02	ATO Digital Partnership Office	Operational Framework overview – DPO to provide overview at the next design working group meeting	On agenda for 14 November 2019
DWG -03	Secretariat	MBR Program dates and schedules – ATO to include co-design agenda items at future meetings addressing the theme of MBR Program dates and schedules – this will be an enduring co-design activity over each phase of the Programs delivery.	Subject to Government decision
DWG -06	ATO – MBR DWG Chair	The MBR DWG ToR to be amended with the members' feedback	On agenda for 14 November 2019
DWG -07	ATO – MBR DIN	Provide use cases and metrics for DIN	On agenda for 14 November 2019
DWG-08	ATO – MBR DIN	Provide environmental scan of other related programs.	On agenda for 14 November 2019
DWG -09	ATO – MBR DWG Chair	ATO to share the high level options for the Company transition strategy	Subject to Government decision
DWG-10	ATO – MBR	ATO to share feedback from external consultation and co-design activities – which offers insights to the pain points and opportunities in the current system raised by stakeholders and clients for the future MBR services	On agenda for 14 November 2019



Digital Service Provider Roadmap

Digital Service Provider Roadmap





Digital Service Providers Operational Framework

Digital Service Provider Operational Framework

The Digital Service Provider Operational Framework sets out the minimum level of information security requirements a provider needs to meet in order to consume ATO digital services e.g. application programming interfaces (APIs).

The Framework is a response to known examples of:

- Information misuse e.g. identity theft
- Financial system misuse e.g. refund fraud
- Destructive cyber behaviour e.g. system hacks

Current scope as it applies to tax and superannuation services

If a DSP provides a software product or service that reads, modifies or routes any tax or superannuation related information and that product performs a role in the supply chain then that product or services is within scope of the Framework.

More specifically it applies to software products and services that provide any of the following functionality:

- Business and tax accounting services e.g. activity statements and income tax returns.
- Payroll and employer services e.g. Single Touch Payroll reporting
- Superannuation services e.g. Fund member rollover and reporting

Operational Framework Requirements

The Framework uses a risk differentiated model in determining the requirements needed for utilising our APIs

Factors include:

- The API risk ratings
- Volume of accessible individual taxpayer or superannuation records
- DSPs operating model risk factors e.g. on premise vs. cloud, data hosting and supply chain complexity

Current requirements for tax and superannuation providers

Requirements	Description
Personnel security	Processes and procedures are in place for hiring, managing and terminating employees/contractors
Encryption in transit	Encryption of data in transit between systems e.g. TLS 1.2 or higher
Encryption at rest	Encryption for data repositories that hold or manage tax or superannuation related information
Encryption key management	Encryption key management complies with Australian Government ISM .
Audit logging	Logging functionality is implemented to enable traceability of user access and actions.
Product ID in message header	Identifies the product sending the ATO data
Certification	Independent or self assessment against: IRAP, ISO/IEC 27001
Supply chain visibility	Currently in development – ability to see all stakeholders who touch an ATO data payload
Data hosting	Data hosting is onshore by default
Multi-factor Authentication	Using two or more “factors” e.g. biometric and password to login to a system
Security monitoring practices	Security monitoring is in place e.g. network, application and transaction layer

Next steps - MBR and Operation Framework

Business Register

The business register will provide new API services. Consumers of these new services will need to be assessed under some form of the Operational Framework before accessing business register API services.

The ATO recognises that there are varying levels of security requirements for the registry services, ranging from search services that deal with publicly available data, to services that deal with updating private registry data. As such, the Operational Framework will need to support the varying risk profiles associated with the consumption of these services.

The DSP Operational Framework will need to respond to the business and service risks that are specific to these services.

Next Steps

1. Explore
 - Risk rating of new API services being offered by MBR
 - Overlaying ASIC's DSP Engagement and security requirements with ATO's Engagement and Operational Framework.
 - Operating model of new potential DSPs e.g. volume/type of data, supply chain complexity
2. Work collaboratively with information brokers and software developers to establish agreed security requirements that respond to the identified risks
3. Collaboratively establish an implementation plan for information brokers and software developers to demonstrate compliance with the security requirements

Modernising Business Registers

DIN Wholesale Service Offerings

Version 1.0

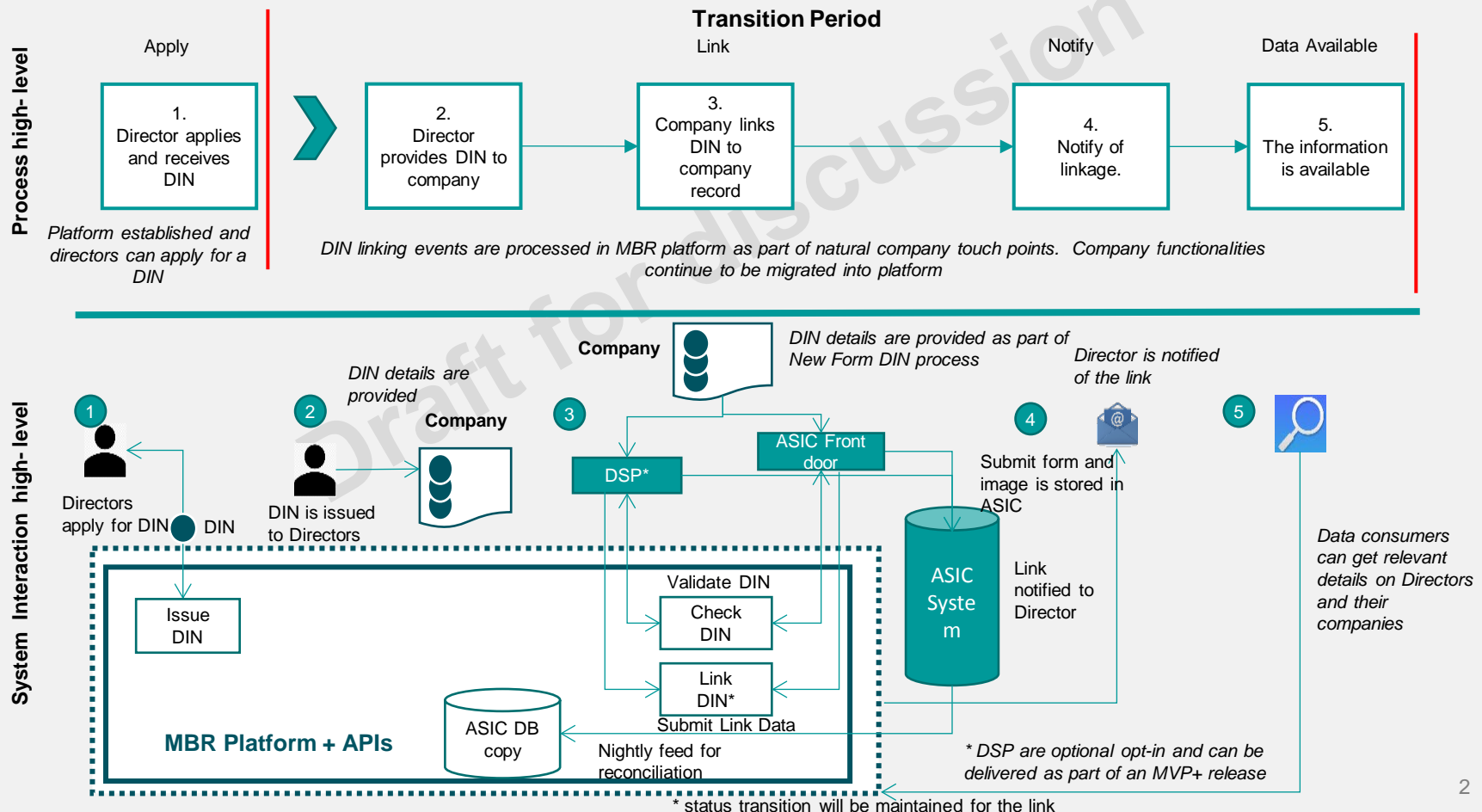


Date: 1 November 2018

DIN issued on Platform, changes to ASIC company processes to collect DIN. New Form to collect the DIN details from companies (ie, Form DIN). Link stored in MBR platform

During the transition period ASIC will capture the DIN details for a company as part of new form using their existing front door process. The company details will be pre-populated in this form from ASIC data and DIN details will be provided in this form. The DIN details provided will be verified against the MBR platform.

The captured link details will be passed to MBR platform from the ASIC portal and an image of the form will be stored in ASIC document image library. (This is not publicly available and searchable).





Discussion

Discussion Points

What business services would you be interested in using?

- Would you consume the Apply & Issue DIN service?
- Would you consume the Link DIN service, including the Check/Validate Din services
- Would you consume the Maintain Director details service?
- What are the likely lead times for you to incorporate the services described?

Identifying Directors

- Would you be interested in helping the MBR program identify Directors and assist with campaign messaging for getting Directors to apply for a DIN?
- How easily can you identify Directors and Office Holders?





Existing Directors

An approach for existing directors to Apply for a DIN

Opportunity to invite or nudge existing directors to apply for a DIN

DIN population

There are currently 2.7 million existing company directors who will be required to apply for and receive a DIN within a to be determined transition period. High level design work has been underway to investigate how to minimise the impost on these existing directors through the transition period and produce a seamless and integrated user experience.

Problem

In order to invite or nudge the director to claim their DIN, we must have a high level of confidence in both the director's identity and their contact details. Using data matching across government agencies including ASIC, ABR and ATO, four director cohorts have been established based on confidence levels.

Cohort	Green <i>We know exactly who you are</i> Directors who have a digital identity (assumed via AUSkey migration)	Green/Amber <i>We are confident we know who you are and we can contact you digitally</i> High confidence of the identity of the individual via ATO / ASIC systems and has a digital contact	Amber <i>We know who you are but we can't contact you digitally</i> High confidence of the identity of the individual via ATO / ASIC systems	Red <i>We do not have enough certainty about who you are</i> Insufficient matching across ATO/ASIC and no reliable digital contact details
Number	200,000	2.07 million		430,000
Identity confidence level	High	High/medium	Medium	Low
Digital contact details	Recent successful contact	Recent successful contact	Less recent contact	No reliable details



Services

Services

The below table provides a list of DIN register services that could potentially be offered to Digital Service Providers for consumption. These services will be available prior to the Company Register being incorporated onto the platform.

There are plans to enable a search functionality in addition to the services below in the future.

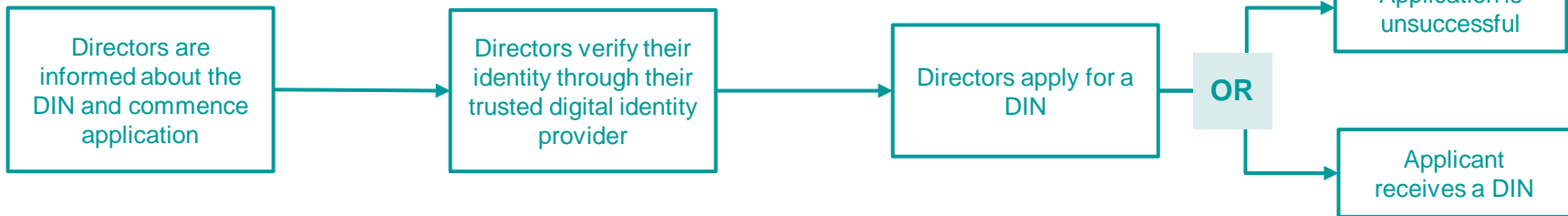
Service	Scenario description	Volumes (estimated number of users)	Deployment phase (private beta, public beta, live)	Constraints/ Assumptions
Apply & Issue DIN This service allows an individual who is a company director (whether new, existing or intending) to submit an application and, if successful, receive a DIN.	<i>I'm a director of an existing company. I use software to manage my company and I now need to apply for a DIN.</i>	2.7 million current ASIC directors	Private beta Public beta Live	This business service will remain consistent throughout all deployments. Only the director can apply for a DIN. Digital identity is required.
Link DIN This service allows the company to link its current directors to the company register.	<i>I'm a company secretary and need to add the director's DIN to the company register.</i>	2.7 million current directors will need to link	Private beta link established in ASIC. Public beta link established in ASIC. Live	Linking will be separate from ASIC Form 484 and 201. Authorised representatives registered to the ASIC officeholder portal. This service will change once the Company Register is on platform.
Check DIN This services allow the validation of the DIN details when a Company links a DIN.	<i>When I enter the DIN details to be linked to the Company they will be validated against the DIN record on the MBR platform.</i>	2.7 million current directors will need to link	Private beta Public beta Live	To be used in conjunction with the Link DIN service
Maintain Director details This service allows a director to update their details.	<i>I'm a director with a DIN and I want to update my residential address.</i>		Private beta Public beta Live	This business service will remain consistent throughout all deployments. Only the director can maintain a DIN. Digital identity is required.

Apply Scenario: I'm a director of an existing company. I use software to manage my company and I now need to apply for a DIN

PROCESS

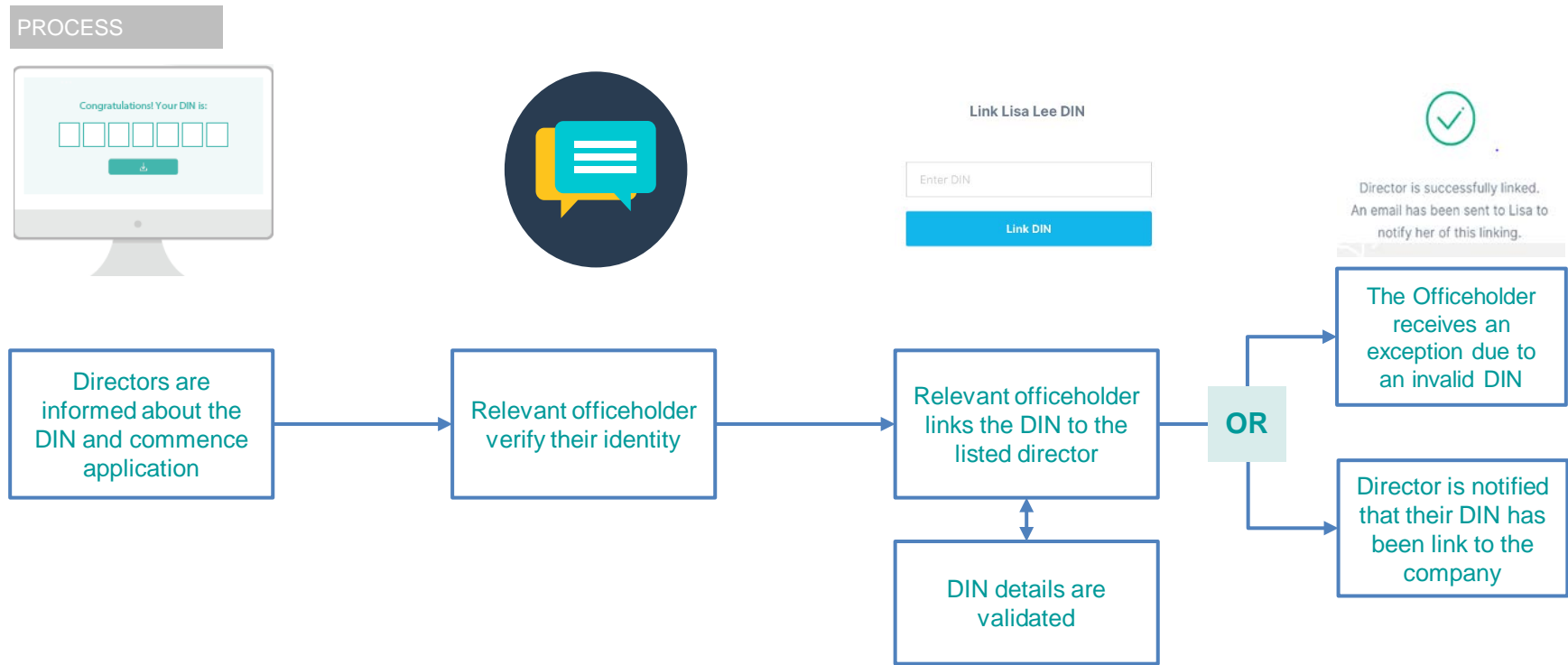
The screenshots show the following steps:

- Welcome to Business Registers:** A landing page with the heading "Welcome to Business Registers" and a sub-heading "Here you can access all your business registry information". It includes a video player and an "Apply for a DIN" button.
- Identity hub:** A page titled "Identity hub" with the instruction "Use your digital identity to continue". It lists "myGovID" (Managed by the Australian Government) and "Digital ID" (Managed by Australia Post) as options, with "Other identity providers" listed below.
- Apply for a DIN:** A form titled "Apply for a DIN" (Step 2 of 2) for "Review details and submit application". It contains fields for Applicant details (Full name: Lisa Rose Lee, Date of birth: 03 Jan 2000), Residential Address (18 Chapman Place, Sydney, NSW 2000), Personal details (Tax file number: 152 187 135, Place of birth: Melbourne, Victoria, Australia), and Contact details (Phone number: 0402 155 678, Email address: Lisa@gmail.com). A Declaration section is also present.
- DIN confirmation:** A confirmation page titled "DIN confirmation" with a success message: "Your application for a Director Identification Number (DIN) has been successful!". It displays the user's details: Name (Lisa Rose Lee), Phone number (0402 155 678), Address (18 Chapman Place, Sydney NSW 2000), Your DIN (N847618), and DIN status (Active from 17/10/2019). It also includes a "What to do next" section with a "Print friendly version" button.



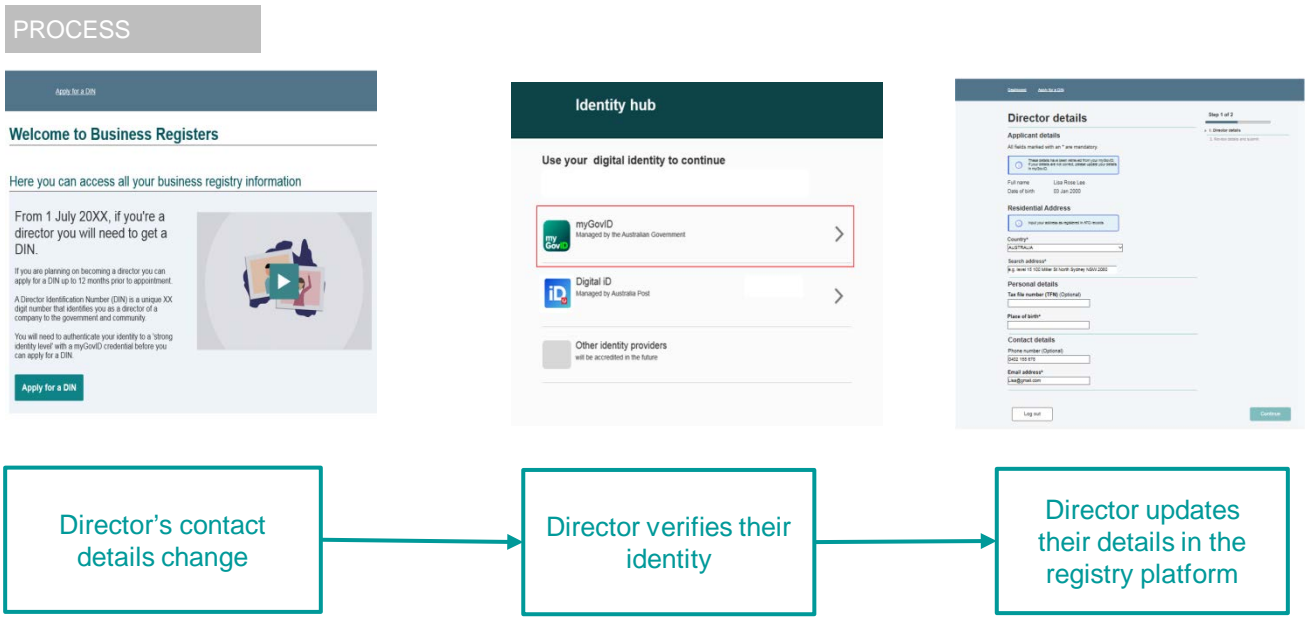
VOLUMES (estimated number of users)	CONSTRAINTS/ ASSUMPTIONS
2.7 million current ASIC directors.	This business service will remain consistent throughout all deployments (private, public & live). Only the director can apply for a DIN. Digital identity is required.

Linking Scenario: I'm an authorised officeholder existing company. Using software to manage my company, I need to link the DIN to the company



VOLUMES (estimated number of users)	CONSTRAINTS/ ASSUMPTIONS
2.7 million current directors will need to link.	Linking will be separate from ASIC Form 484 and 201. Authorised representatives registered to the ASIC officeholder portal. This service will change once the Company Register is on platform (private & public to ASIC, live to platform). The Check DIN service will be used in conjunction with this service.

Maintain Scenario: I'm a registered director. I use software to manage my company and I now need to update my details on the register.



VOLUMES (estimated number of users)	CONSTRAINTS/ ASSUMPTIONS
ASIC data required.	This business service will remain consistent throughout all deployments (private, public & live). Only the director can maintain director details. Digital identity is required.

Modernising Business Registers Consultation Summary

July 2017 to October 2019





MBR Program - Consultation Summary

July 2017 to October 2019

We have conducted a wide range of consultation activities with stakeholders and impacted users over the last two years.

We consulted with a range of stakeholders including Commonwealth Government Agencies, State Government Agencies, Local Government, Data/Research/Academia, Industry/Intermediary representative bodies, Digital Service Providers, Software Developers and Information Brokers.

We have reviewed and summarised the feedback to identify opportunities for improvements and common irritants.

Consultation activity overview

Consultation activity conducted as part of two years of MBR discovery

2017

Discovery process – coordinated by DTA with participation from DIIS, ATO, ASIC

MBR Discussion paper – Treasury Consultation – August 2017

<https://treasury.gov.au/consultation/aug-17-consultation>

Discovery process on the ‘retail’ front end - coordinated by DIIS with cross program participation

MBR Roundtable events held in Canberra, Melbourne and Sydney (80 participants)

MBR Discussion paper – Treasury Consultation – August 2018

<https://treasury.gov.au/consultation/c2018-t310411>

DIN External Reference Group established

MBR and DIN Draft legislation released for consultation - meetings also conducted with key stakeholders

2018

DIN Co-Design workshops

Submissions on the draft legislation for MBR and DIN
<https://treasury.gov.au/consultation/c2018-t330649>

MBR Business Advisory Group (BAG) established

Review of Registry Fees – Treasury Consultation – November 2018
<https://treasury.gov.au/consultation/c2018-t341195>

First meeting of the MBR Design Working Group (20 attendees)

2019

Second meeting of the MBR Business Advisory Group (BAG)

DIN Co-Design workshop – Sydney (16 attendees)

DIN Interviews – Sydney, Melbourne, Adelaide, Canberra and Wagga Wagga

Third meeting of the MBR Business Advisory Group (BAG)

ABR User Research

ACTIVITY SUMMARY

Consultation feedback overview

Ideas and opportunities for improvements

Simplification

- Strong support for combining and modernising business registries.
- Preference for a retail service which is Discoverable, Connected, Contemporary, Guided, Convenient, Complete, Accessible.
- Combining and modernising business registries will have widespread, significant benefits to the economy.

Reliability & Support

- Government services are increasingly digital, but some users have poor internet connectivity, limited digital literacy, or low levels of engagement. Registry services need to be reliable and accessible to all users so they can register and be compliant.
- Take into consideration the level of uncertainty during the transition period given that we may need to operate both the ASIC and ATO systems simultaneously during transition and therefore users would need to navigate both systems.

Trust and transparency

- Stakeholders indicated that in an effort to maintain security or permissions that “confidentiality needs to be balanced with the potential gains from transparency”.
- Consider the size and complexity of the project, in particular the amount of data cleansing that would need to occur to successfully move the registry data.
- Concerns about using/reusing the Operational Framework used for Single Touch Payroll.
- Be mindful of public vs private data and changes to data standards.
- Everyone supported the introduction of the DIN.
- There is support for digital ID verification, however several want data such as addresses to be independently validated.
- Support for third party DIN applications, however some want dual authentication and/or direct consent from the director.
- One submission did not support limiting open public access to director personal information.

Choice and control

- Consideration to be given to how linking the DIN to the company will be achieved.

Companies

- The majority of stakeholders were accepting of the proposal to combine ASIC and ABR, so long as data integrity, access and details were not compromised.
- Re-emphasising the imperative for the ASIC registers to be moved off its current ageing technology which is outdated and unreliable.
- ASIC data should be promoted as a whole-of-government data resource.
- Information is often handled by different agencies and this can lead to inaccuracies in the data - registries are not coordinated and information needs to be entered in several times.
- Stakeholders want business specific information eg location, services, employees.

MBR Program

- Stakeholders have been overwhelmingly in support of the Program and appreciative of being consulted and involved at this early stage.
- All have indicated a willingness to participate in further consultation.
- General agreement that the program is valuable and early consultation is welcomed.
- Members were happy to be invited to participate in the BAG and enthusiastic about providing advice for the Program into the future.
- A number of members indicated that they would like to have Program representatives address their constituents, i.e. the Governance Institute represent company secretaries.
- Members appreciated the update and understood that the Program is still awaiting a formal announcement from Government.

ABR User Research – September 2019

Summary

Future ideas and opportunities from Commonwealth agencies, State agencies, Local agencies and Information Brokers/Digital Service Providers.

LOCATION	DATA	SYSTEM	TRAINING
<p>PEOPLE LINKS</p> <ul style="list-style-type: none"> Employer/ trustee – for the courts, need to identify entity behind company – need to display who trustee is Wages paid by state Interpretation of ABR data /entity name not strong enough for presenting in Court Want to know the trustees and trust. More detail Could we link associates to entities Link between trust and Trustee on ABR who hold the ABN trust or Trustee? Want ID for trusts and beneficiaries, want a copy of the deed Authorised contact to include the director contact details If authorised contact is a accountant 			<p>OTHER</p> <ul style="list-style-type: none"> Indigenous business indicator x 3 ORIC/Supply Nation say between 8000-14000 Indigenous suppliers needs to be accurate Want financial data matching of the 10 data elements they use in grant applications Authorised people location/ overseas, where the business operates Want to have a series of static queries from ABR I don't want to have to download data, I want to log on ask questions and get answers Add state govt incorporated Organisation # Would like business products and services Standard definition of small business Want bank information\ Want GST grouping information Users expect, tell us once – we need to make this happen Short videos would be better Explore capturing eligible employers who should be registered with (state govt) but are not Re-shoring info – when Australian Company stops importing and starts manufacturing on shore... want to know the change in \$\$ Want industry specific info e.g. tourism data Hover over questions or acronyms for explanation Number of worker days – collect via BAS rather than annual report Utopia would be more current info available than now Want to track business trends /tracking as a snap shot for comparisons Exporting V s domestic spend want \$\$ but indicator ok UNSPSC classification United nations Standard product and services code Business structure to see relationships Cross entity match of associate is crucial
<p>ANZSIC</p> <ul style="list-style-type: none"> Reduce the ANZSIC code to 3 digits. The additional digits may reveal sensitive information relating to the business type, so by removing this it allows for ANZSIC codes to be released publicly ABS advised removing the 5th digit would allow for it to be consistent with the data they already have Want ANZSIC code for gig economy. Allowing for additional ANZSIC codes so that secondary business types can be represented accurately. This caters for businesses that may engage in activities that are across multiple codes. Utilise the same ANZSIC codes that ABS use ANZIC – have multiple codes for different locations/different activities 		<p>HISTORY OF ABN</p> <ul style="list-style-type: none"> All previous iterations and changes to the ABN, including litigation indicator Want to see history of ABN at all life stages Business indicator – movement of business de-reg / re-reg etc. Need historical info 	

DIN Discovery Process – March 2019

Summary

Our goal

The following were identified as key factors to be considered as part of the consultation and co-design process:

- Identity verification – ways in which the identity of company directors could be confirmed, including the merits of digital ID (i.e. myGovID)
- Consent model – investigate how consent between the director and company could be built into our process design.
- The role of third parties and intermediaries
- Establish mechanisms that enables traceability of director relationships across entities (including previous insolvent entities).
- Establish a foundation (in conjunction with legislation changes) that prevents people who have a history of illegal phoenixing behaviour from continuing to register new entities and trade

What we did

Consultation

We used information from a wide variety of sources, ranging from academic papers and international publications to submissions made to the MBR public consultation process in early 2018. Additionally, we co-facilitated MBR/DIN roundtable discussions, established ATO and ASIC working groups, and an external DIN reference group consisting of industry bodies and associations. We also conducted one-on-one research interviews with key users (such as company directors and third parties) to help us better understand the current user experience.

Co-design

Using our work from the consultation phase, we developed a prototype of a future user experience and tested this with users and stakeholders using paper prototypes. We facilitated multiple collaborative workshops with a broad variety of users and stakeholders, iterating our design continuously. We used this as the basis to develop high level implementation approach.

Who we engaged with

We consulted with the following user groups:

Company directors ; Registered agents, including tax agents and accountants; Software developers; Information brokers; Insolvency practitioners; Lawyers; Financial institutions; Australian Charities and Not-for-profits Commission (ACNC); Office of the Registrar of Indigenous Corporations (ORIC); Other Government agencies, including regulators .

We worked with peak industry bodies and groups, including:

Australian Institute of Company Directors; Governance Institute of Australia; Law Council of Australia; Australian Institute of Public Accountants; Australian Restructuring Insolvency & Turnover Association; Australian Chamber of Commerce & Industry; Chartered Accountants of Australia and New Zealand Governance; Information brokers and software developers - Illion, Equifax, BGL Corporate Solutions, Pitcher Partners, Business Switch Pty Ltd (Honcho), Corporate Express and MYOB.

IMPLEMENTATION

- There was very strong support for the introduction of DIN and a clear understanding of what the proposed policy is attempting to address.
- The introduction of a DIN provides an opportunity to address known problem areas, such as incorrect and/or varied director details and establishing the identity of company officeholders was considered key in addressing this issue.
- An area of concern highlighted was around the potential misuse of DIN, including identity theft, fraud, data mining and privacy/security issues.
- Existing issues with poor data across different registers was widely recognised and acknowledged as needing to be addressed as part of implementing DIN. Some suggested working with industry groups to fix known data issues.

FEES AND PENALTIES

- There was very strong support for no application fee for DIN, and no renewal requirement.

DIN APPLICATION

- The DIN application process should be simple, completed in real-time, and integrated with natural user touchpoints.
- It was expected that the DIN application would not delay company registrations or stifle innovation and entrepreneurship.
- Everyone expected the DIN application process to be online and that a non-digital alternative also be available for those unable to access the digital application.
- Foreign directors were considered problematic in terms of identity verification as they would not be captured as part of the current myGovID solution but existing processes could be used and possibly strengthened.
- There was preference to apply for a DIN and update director details in the one place online i.e. MBR platform.

EDUCATION

- There was strong support for a communication and education campaign for directors and the community on director obligations and DIN.
- The introduction of DIN was seen as an opportunity to include educational material on director responsibilities as well as to more detailed information.
- Agents were recognised as playing a key role in providing education to directors on their responsibilities. This was expected to extend to providing information about the DIN requirements.

USE OF THIRD PARTIES

- There was an expectation that third parties would have a significant role in communication/education to directors and companies regarding DIN.
- There was consensus that each director must be responsible for the submission of their DIN application, reflecting that the liability and legal consequences are the responsibility of the individual director.
- The role for third parties in the DIN application process was recognised, but only if suitable controls and permissions were tested and put in place.
- There was also concern around the potential involvement of some third parties, particularly those who are already complicit in illegal behaviour.

IDENTITY VERIFICATION

- There was strong support for identity verification to be part of the DIN application process, with a minimum '100 points' of identity verification required to receive a DIN.
- There was moderate to strong support for a higher level of identity verification, including the use of digital solutions such as myGovID. However, there would need to be an further community education to increase awareness and confidence in these solutions to enable use in the DIN implementation.

DIRECTOR CONSENT

- There was strong support for a mutual consent model, where the director and company both formally acknowledge the director/company association online. Some suggested that it would be sufficient to have a notification to the director when their DIN had been linked to a company, with processes to allow reporting of misuse.
- There was strong support for the director to link their DIN to the company as a sign that they had provided consent to being a director of that company.
- Directors strongly supported sole directors having the ability to link their DIN as both the company and director within a single process.
- There were mixed views about capturing historic company associations, reasoning that trying to apply a DIN to historic roles, could create a negative user experience.

VISIBILITY AND ACCESS

- It was expected that current and past associations between a director and company be publicly available.
- There was strong feedback to keep the director's residential address private. Other personal director data, such as date/place of birth, could also be private. This was seen to minimise the risk to the director's personal security and identity theft/fraud.
- There was recognition that trusted parties would need access to more director data than would be publicly available. Where additional director information was made available, directors wanted to be aware of how their information is used, transferred and collected.
- There was an expectation to publicly display the history of roles, de-registrations and disqualifications. This would, for example, assist trusted agents to improve current practices around due diligence.
- However, there were concerns regarding the impact of misrepresentation or misunderstanding of publicly available information in certain circumstances, such as 'legitimate phoenixing'.

MBR Discussion paper – Treasury Consultation – August 2018

Summary

Background

This Consultation explored the four key themes discussed at the Roundtable events. The majority of comments were supportive of the MBR program, with a few issues raised, including:

- The size and complexity of the project, in particular the amount of data cleansing that would need to occur to successfully move the registry data
- the level of uncertainty during the transition period given that we may need to operate both the ASIC and ATO systems simultaneously during transition and therefore users would need to navigate both systems
- re-emphasising the imperative for the ASIC registers to be moved off its current ageing technology

Enhancing Registry Services

- Use for 'tell us once' notification to government agencies. Use as single source of truth for all government business interactions and for cross checking with other government agencies.
- Favour single point of registration with real time updates and simultaneous data sharing with government agencies.
- Benefits include single point of search, automated / streamlined processes and pre-filled data.
- Suggest penalties for not providing register updates.
- Keep legacy systems operational in parallel as the new system for as long as possible.
- Automatic prompting for review and update by users of their data. Develop a mobile application to allow users to manage accounts and communicate with agencies.
- Streamlined, one-stop-shop for registry services, including simple searching tools, pre-population of data, and open access.
- Greater search capabilities
- Bulk updating for multiple entities.
- A modern registry system should have minimal outages, scheduled in advance and at times convenient for customers.
- Current timeframes for documents being processed by ASIC is frustratingly long.
- Registrar should take an active role to ensure companies are updating their information.
- Use centralised, agreed standards for data with cross-checking capability with other registers.
- Benefits to be gained through additional education material on financial literacy when registering.
- Users have ability to lodge all documents electronically and receive immediate verification.

Legislation

- Opportunity for alignment
- Will the legislation enable flow of information between related government agencies?
- Types of data collected may create inconsistencies with the ACNC Act
- Who will be able to reinstate deregistered companies?
- Flexibility to react to market changes and improved technology and administrative changes
- Transparency and flexibility about the use of data and what type of data to collect
- Allow for easy access to data
- Clear understanding of privacy
- What terms will enable a Registrar to determine what data is inappropriate for public access
- Prevent the reduction of information collected
- Data collection should not be solely at the discretion of the Registrar
- Provisions dealing with the details of the operation of registers should be included
- Do not support law reform that will allow the Registrar the flexibility to decide what information to collect, record and be publicly displayed

Funding Registry Infrastructure

- Open, free access to data preferred. The benefits to the economy and business of making searches free of charge will in the long run outweigh the loss of income. Benefits to free access include reducing the risk of phoenixing, assisting businesses to meet their reporting obligations and allowing a deeper understanding of Australian businesses and the economy through macro-level research and analysis of such data. Making the data freely available would be consistent with the Commonwealth's Public Data Policy Statement. It would also bring Australia into step with the UK, US and NZ.
- Support charges on high volume users using data for profit or gain.
- Removing or simplifying and reducing existing costs imposed on businesses using the Government's business registry services should be investigated.
- Businesses should not be financially disadvantaged when registering and/or updating their details on Government registries as it assists Government.
- Per transaction fees most effective and flexible.
- Offer tiered broker services, e.g. basic, medium, comprehensive according to broker type.
- Edits through 3rd party applications using APIs should not be a chargeable transaction because this is a direct update of personal records.
- Search fees inconsistent with Govt policy to reduce taxes on business
- 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.
- Do not believe that it is fair to charge consumers for the information any more than a nominal amount but there should be some charge to avoid companies mining the data (including for reasons such as identity theft).

DINs

- Supportive of the introduction of a DIN
- Support digital identity verification process – such as for the Trusted Digital Identity Framework and Australia Post Digital ID.
- Education and training should be available for people wishing to become a director.
- Some director information should remain private, with the public email address used for serving documents. Directors should be able to restrict all information made publicly available due to privacy issues.
- Start simple and expand over time.
- Oppose DIN registration by authorised agents.
- Verify identity using 100 points of ID, or certified by an appropriate qualified person or electronically
- Leveraging public and private data sources to assist in the verification of directors will allow the registry to address the verification of both domestic and foreign directors.

DIIS Retail Business Registries Discovery Report – July 2018

Summary

Background

In late March 2018 a multidisciplinary team commenced a user research project (Discovery) to explore how to improve the user experience of the retail of business registers. Retail registry services are defined as direct interactions between users and government through online, face-to-face or paper channels.

The Discovery was a partnership between the Department of Industry, Innovation and Science (DIIS) and the Australian Taxation Office (ATO) with liaison with the Australian Securities and Investments Commission (ASIC), the Department of the Treasury and the Digital Transformation Agency (DTA).

We conducted contextual interviews with 48 businesses and intermediaries in both metropolitan and regional areas, by visiting their place of business, we were able to better understand the context in which they are accessing the service, what it looks like and how it makes them feel.

Executive Summary

Establishing and running a business can be complex and challenging. Government registration and compliance are small but important parts of a business' lifecycle; integral to the corporate trust and transparency on which a well-functioning economy depends.

For business, registration and compliance needs to be completed with both as little time and effort as possible. Business expect government to provide them with fast and simple ways to do so, with the guidance and comfort that they've 'done it right'.

However, the current experience for users of business registers is one of low user confidence and disconnection between:

- their expectations of a contemporary service and their experience,
 - registration services and maintenance,
 - disparate agency services, and
 - digital registry services and paper compliance.
- Further, this entire experience sits outside a business' natural ecosystem.

While government has created competition in the registration market, third-party products contribute to the disconnected experience, crowding out the government service so that most users fail to find it.

Intermediaries experience the same problems at the retail front-end of registries and the cost of dealing with inefficient or difficult processes are often passed back onto their business clients.

Business want a digital experience that connects registration, maintenance and compliance, and fits with the way they do business. They expect contemporary and convenient services similar to those provided by digital leaders, and to be guided through the process so they are confident that they understand and can meet their obligations.

Findings from this research will help inform the development of future options to be considered by the government for the Modernising Business Registers program of work.

Summary of themes and insights

Discoverable	Connected	Contemporary	Guided
Most users trust government and want to use their services when registering a business. However, discovering the government registration service is one of the most difficult parts of the user journey and many users fail to find it.	Users currently piece together their own registry journey using different services, channels and credentials. They want a connected end-to-end experience that fits with the way they do business.	Users can lose confidence in registry services as they fall further behind the digital services they are familiar with. They expect government to provide the same kind of contemporary and efficient services offered by digital leaders. Users expect secure mobile real-time access to registry services.	Registration and compliance is a small but important part of a business's lifecycle. While users want simple and easy-to-use registry services, they also want clear, easy to understand guidance on what their obligations are and how to stay compliant.
Convenient	Complete	Accessible	
Users want to manage their business registrations in a way that is efficient and convenient for them. They want choice and control in authentication, notifications, updating and sharing data, and authorising others to act on their behalf.	A key value of registry data for users is in gaining a full picture of a business entity. Users want to search using interfaces that help them to access and understand the relationships between entities, directors and shareholders over time.	Government services are increasingly digital, but some users have poor internet connectivity, limited digital literacy, or low levels of engagement. Registry services need to be reliable and accessible to all users so they can register and be compliant.	

MBR Discussion paper – Treasury Consultation – September 2017

Summary

Background

The Government sought feedback from a broad range of stakeholder groups regarding their experience in using the registry services. A total of 15 questions included as an appendix to the Discussion Paper prompted stakeholders to consider the current strengths and weaknesses of existing registries (in scope), access to data, absence of data and privacy and security. Feedback from the submissions will be one input to inform the development of options to modernise registry services and deliver better services for business.

As at Thursday 14th September, a total of 32 submissions had been received, with a further 5 given an extension to the close of business on the 15 September to formally lodge with Treasury. Submissions ranged in length from one to two pages to those in excess of 10 pages.

Current platform

Weaknesses identified in existing business registry services included:

- ASIC software outdated and unreliable
- Absence of definitions for business
- Information is often handled by different agencies and this can lead to inaccuracies in the data - registries are not coordinated and information needs to be entered in several times (ATO and ASIC)
- ANSIC codes not included
- Data not made publically available

Future services

When asked what they would like modernised business registry services to offer them in the future, respondents indicated that:

- They were supportive of a single portal managed by a single agency
- Any new business registry would need to be developed on a functional platform that was flexible with relevant back up procedures put in place
- The need for centralised coding tools to be developed based on agreed standards
- The current 'alert' or 'notification' system requires amendment.

Data

When asked about data, current content and access to it, the preliminary responses indicated that:

- The majority of stakeholders felt they should have access to registry data free of charge.
- They also wanted the data to be publically accessible
- Some stressed the need for considering the user experience and requirement to enter details once
- Many asked that data to be in a format that is accessible for analysis and available in 'real time'.
- Stakeholders noted the inclusion of business data – specifically, ANZSIC Code, business address & geo-coding, main address of operations' as well as an 'address of registration data would all be useful inclusions in a revised registry service.

Combining ASIC and ABR

When asked "What would be the advantages of bringing together the ASIC registers and the ABR within a single agency? How might this impact businesses, intermediaries or other users? Do you have concerns about a single agency being responsible for consolidated registry services?" The majority of stakeholders were accepting of the proposal to combine ASIC and ABR, so long as data integrity, access and details were not compromised.

Government's role

When responding to the question "Do you have a view on the steps the Government could take to make registry data more open and accessible? For example, do you have a view on the format of data, frequency of data released, platforms for release, or pricing?" the preliminary analysis strongly supports the creation of single portal for access to registry services as the key role for government.

Security

Stakeholders indicated that in an effort to maintain security or permissions that "confidentiality needs to be balanced with the potential gains from transparency".

They also suggested that standard permissions be applied across the board. Some were not supportive of users managing or customising permissions, as they felt this involves a level of openness and complication that brings with it vulnerabilities.

Change to current services

Some stakeholders noted that there may be resourcing implications and impacts on their businesses/agencies following changes to the way registries are currently delivered.

All were very eager to be included in ongoing discussions and consultations regarding the modernisation of business registries.

DTA Discovery Process – September 2017

Summary

Background

In July 2017 a product team was formed to commence a Discovery process for the Modernisation of Business Registries. The team is a partnership of five agencies: the Digital Transformation Agency (DTA), the Department of Industry, Innovation and Science (DIIS), the Australian Taxation Office (ATO), the Australian Securities and Investments Commission (ASIC), and the Department of the Treasury.

ASIC registry services are on aged infrastructure that is not meeting current needs and cannot provide the flexible and scalable solution needed for the future. This provides government with the opportunity to consider how to modernise registries. The aim of this Discovery process is to ensure that options put forward to government are informed by the current needs and pain points of registry users, as well as delivering a modernised registry platform.

Through our analysis of user interviews and user journey mapping we were able to identify patterns underpinning user needs for business registries. These patterns were developed into themes and insights. From our themes and insights we developed hypotheses to improve registry services. We prioritised these hypotheses by impact and difficulty to identify 6 areas of focus to be tested and refined in Alpha.

Simplification		Trust & Transparency		Choice & Control	
Information	User Interface	Data discovery and search	Update details	Notifications	View of fees and interviews
<p>Business finds that the information government provides on registration and ongoing obligations difficult to find and understand. This erodes their confidence to make decisions or undertake interactions themselves. Often they engage an intermediary to 'get it right'.</p> <p>We believe that improving the clarity, consistency and relevance of information will result in businesses being more confident in the information provided by government to make informed decisions.</p> <p>Alphas</p> <ul style="list-style-type: none"> Rationalise information and align language between websites across agencies. Co-design content with business. This could include both where to find the information (architecture) and its clarity and relevance. 	<p>Business and intermediaries find existing registry interfaces inconsistent, hard to use and often incompatible with contemporary technologies (browsers and mobile devices). Users need to navigate different interfaces across registers to meet their ongoing obligations.</p> <p>We believe that a consistent interface for businesses that is simple and easy to use across registry interactions with broader browser and mobile support will result in businesses meeting their responsibilities with registries with less support from government.</p> <p>Alphas</p> <ul style="list-style-type: none"> Explore and test with business how a simple and consistent interface might allow them to more easily meet their registry responsibilities. 	<p>Businesses, intermediaries, regulators and support staff find it difficult to find, connect and understand the data that is available across and within business registers. This means that they don't always have the data they need to make informed decisions or provide support to customers.</p> <p>We believe that making it easier for users to find, connect and understand the data that is available in business registers will result in users being able to more quickly and easily access the data they need to make informed decisions.</p> <p>Alphas</p> <ul style="list-style-type: none"> Develop a common data model of data definitions and associations across registers. Create a dataset catalogue of existing registers that describes what is available, where it is and how to use it. Explore and test with users the high-value or most common searches, improve search processes and build combined searches. 	<p>There is no incentive or simple and easy way for business and intermediaries to keep their details up to date with government. When details are incorrect, businesses don't receive notifications. This can result in late fees or deregistration for business with increased customer calls, complaints and returned mail for government. Out of date details lower the quality of the registry data.</p> <p>We believe that making it easier for business to update their details and be able to reflect those changes across government will result in a better experience for business, improve data quality and lower support costs.</p> <p>Alphas</p> <ul style="list-style-type: none"> Co-design with business ways to update their details across registers in one place. Explore with business how updates provided to one agency could flow on to other agencies (may require legislative changes) Explore interfaces for businesses to update their details including existing government websites and other natural business systems (BGA, BRS, state government portals). 	<p>Business and intermediaries feel they don't have control over the way the registers communicate with them. For example, they can't choose their preferred channel to receive reminders and notifications. When notification channels are inconvenient they are often missed and business don't meet their obligations with government.</p> <p>We believe that enabling business to choose how and who receives notifications on their behalf will result in business more likely to receive and action notifications.</p> <p>Alphas</p> <ul style="list-style-type: none"> Explore and test with business how they want to receive notifications either directly or through intermediaries. Explore processes and systems to enable businesses to choose how they are notified. 	<p>Business find it difficult and time-consuming to get a comprehensive view of their fees, charges and payments, including upcoming fees. They often need to call the ASIC Contact Centre to enquire about their account. Business don't find the information contained on invoices difficult to understand.</p> <p>We believe that enabling business to view their fees and invoices with ASIC will result in greater ability for business to save time through self-service and reduced support costs for government.</p> <p>Alphas</p> <ul style="list-style-type: none"> Explore and test with business a view of historic, current and future fees, charges and payments. Explore processes and systems to enable business to view fees and invoices online.



MBR Design Working Group (DWG)

Operating Charter

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ATO Consultation Protocol

1. Context

1.1 Authority

- 1.1.1 This original document is provided by the ATO's Commonwealth Business Registry Service as the authority on engagement with the digital service industry by the ATO and partner agencies.
- 1.1.2 This charter supports the [ATO consultation protocol](#) (attached).
- 1.1.3 This charter has been established for the Modernising Business Registers Design Working Group (MBR DWG).

2. Terms of reference

2.1 Purpose

The purpose of the MBR DWG is to:

- 2.1.1 help shape the direction of the Modernising Business Registers (MBR) program by providing a digital service industry perspective in regard to proposals for the design of the MBR, and its external service interactions and business-focused matters.
- 2.1.2 provide direction for the MBR program to keep the digital service industry aware, informed and engaged on the design of the MBR.
- 2.1.3 identify and address matters which are technical or detailed so that the ATO and partner agencies will have a clear understanding of digital service industry insights.

2.2 Scope

The Design Working Group will:

- 2.2.1 represent the digital service industry in relation to business registry issues, broader finance-based and whole-of-government applications.
- 2.2.2 provide a representative view of the digital service industry rather than be a channel for individual or company issues.
- 2.2.3 identify and address arising issues in the industry early so that a clear strategic direction can be formed, enabling the MBR program team and partner agencies to gain strategic industry insights.
- 2.2.4 refer decisions on substantive matters to the MBR Business Advisory Group, and refer where appropriate matters of a technical or detailed matter to other relevant bodies or the MBR program governance.

3. Membership

3.1 Appropriate representation

Membership of the MBR DWG will take account of the following principles:

- 3.1.1 Membership will be organisation based, with individuals representing their respective organisation.
- 3.1.2 The ATO and partner agencies will determine organisations to be included in the membership, based on their service offering, with the aim to get a diverse group that represents the industry as a whole.
- 3.1.3 Membership will be refreshed from time to time taking account of the evolving needs of the MBR program .
- 3.1.4 Other government agencies and industry guests will be invited to attend or present on an as needed basis.

3.2 Expectations of members

All members are expected to follow the [ATO consultation protocol](#) and

- 3.2.1 agree for the names of individuals and their organisation to be published by the secretariat for the purpose of contact by digital service industry peers.
- 3.2.2 have subject matter knowledge, skills and experience related to the purpose and scope of the group.
- 3.2.3 ensure they meet legislative requirements regarding their personal tax and business registry obligations and maintain integrity of their tax affairs.
- 3.2.4 represent fairly and responsibly the wider digital industry and clients, rather than specific issues affecting a single individual or company.
- 3.2.5 act in the best interests of the business registry, tax and superannuation system as a whole.
- 3.2.6 have a capacity and willingness to be a conduit for peers in their industry and/or market segment to provide input or receive feedback.
- 3.2.7 commit to attend meetings and be reasonably available for consultation between meetings. Members are to nominate a proxy who will attend should they not be able to make a meeting.
- 3.2.8 commit to reading and considering papers circulated for meetings or consultation between meetings.
- 3.2.9 contribute to the effectiveness of the group in meeting its purpose as defined in the terms of reference of the group.

- 3.2.10 engage in constructive, open and frank discussion in bringing a members' perspective to group discussions (excluding commercial sensitivities).
- 3.2.11 work together in a collegiate manner with other members and other representatives associated with the group ethically and with courtesy, respect and integrity, and abiding by any embargo arrangements.
- 3.2.12 act with due diligence.
- 3.2.13 not use their membership for any commercial advantage, including marketing.
- 3.2.14 be honest and open in providing input into the forum, and communicating output from the forum, while acknowledging any commercial sensitivities.
- 3.2.15 abide by roles and responsibilities of the forum.
- 3.2.16 act professionally, treat other members of the group with respect, interact and communicate with courtesy and diplomacy and use appropriate language during meetings.
- 3.2.17 abide by embargo arrangements.
- 3.2.18 not take unfair advantage of access to privileged information.
- 3.2.19 make their organisation aware of the ethical responsibilities associated with forum membership.
- 3.2.20 declare any conflict of interest to the secretariat.
- 3.2.21 act in the best interests of the Australian economy.

4. Operations

4.1 Roles

4.1.1 The **Chair** will:

- 4.1.1.1 approve group meeting agendas.
- 4.1.1.2 approve attendance at meetings by non-members, including of delegates nominated by members unable to attend.
- 4.1.1.3 identify decisions and actions in the meeting involving substantive matters or potential changes that are to be referred to the MBR program governance, the MBR Business Advisory Group or other relevant group for assessment and evaluation.

4.1.2 The **secretariat** will:

- 4.1.2.1 progress the preparation and timely circulation of relevant papers including meeting papers and minutes.
- 4.1.2.2 make relevant information, including meeting outcomes, available to the public via government websites, subject to approval by the Chair.
- 4.1.2.3 ensure that internal ATO requirements for consultation are met – for example, publication via the consultation hub.

4.2 Frequency of meetings and funding

- 4.2.1 Meetings will be scheduled as required, taking account of the needs of the MBR program and members.
- 4.2.2 The ATO will cover costs for the venue, hospitality and administration for meetings; representatives will cover their own travel and accommodation costs.

4.3 Format of meetings

- 4.3.1 Meetings will be held via webinar or otherwise as agreed by members.

4.4 Participation

- 4.4.1 Guest participants may be invited to contribute to meetings from time to time by the Chair or secretariat (usually to provide subject matter expertise).

4.5 Documentation and record keeping

- 4.5.1 All artefacts and documentation, including an Action items register, will be made available to members via an externally accessible open system.
- 4.5.2 Meeting papers will be provided to members with sufficient lead time for them to be circulated and reviewed within members' organisations.
- 4.5.3 An outcomes summary will be provided to members following meetings and published on a relevant website.

ATO Consultation Protocol

Preamble

We are committed to consultation as a means of improving the administration of Australia's tax and superannuation systems in ways that benefit the national interest.

By consulting appropriately with the right people at the right time, we can make the best use of the knowledge and expertise of stakeholders.

We are more likely to succeed if our consultation proceeds according to a commonly accepted set of principles. This protocol sets out those principles.

The protocol is complementary to the respective codes of professional conduct that apply to officers of the ATO and to external stakeholder members of the consultative groups – including individuals and representatives of business and profession associations.

Key Principles

The ATO, in undertaking consultation on the administration of Australia's tax and superannuation systems, will:

- clearly set out at the commencement of consultation or engagement the issue that is to be the subject of consultation, expected timeframe for the consultation process and extent of any confidentiality constraints to be imposed on participants,
- allow sufficient time for considered consultation, including for circulation of relevant materials, noting that from time to time the constraints of government decision-making timeframes may impose upon this principle, and
- provide timely feedback and reports to participants on the progress of consultations and consultation outcomes.

All participants in these consultations will:

- respect the confidentiality of information provided by other participants to the consultation,
- engage in consultation in good faith and a transparent manner, demonstrating mutual respect for the expertise, contributions and role of other participants, and
- disclose to the ATO any matters that could be perceived to be, or are, conflicts of interest – including actual or potential, direct or indirect effects on the participants themselves or their close associates or clients or business interests – noting that this will be done without breaching client confidentiality, and that disclosure to other participants in the consultation group may be warranted.