

Public Hearing – 30 June 2020
Questions on Notice – Computershare

1. HANSARD, p. 20.

CHAIR: Thank you very much. We've had very long but very good introductions. We might just go to questions because we only have limited time. In terms of the broader structural issue of technology neutrality in the Corporations Act and beyond, what is going to be the best way if we are going to progress that in the form of a practical rewrite so that it is tech neutral? Who has done that work? I will open that up to anyone who wants to answer that.

Mrs McKenna: If you look at 2016, Treasury classified electronic communications such as email, websites or electronic applications as being not universally or near-universally acceptable channels of communication. Four years later, I think—

CHAIR: I'm just wondering who's done the actual work on showing which sections need to be changed. You don't need to convince me of the need to change.

Ms Bowering: It would obviously be quite a comprehensive process. We've taken an initial look, to be honest, and we've done it initially by headline segments—breaking it down by processes and what have you. But really it is quite a granular process that it needs to go through, and we'd be happy to contribute to that process.

CHAIR: That's good, because we need to move past this debate. I'm aware that this has been raised for a long time, so we want to get into more of a practical discussion about what are the things that need to change. If you can provide something on notice that deals with the headline matters that would be really useful, thank you.

Answer:

Computershare is currently facilitating industry discussions as it relates to the broader structural issue of technology neutrality in the Corporations Act. Further detail on the outcomes and progress will be available for the Select Committee on Financial Technology and Regulatory Technology in the coming weeks.

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2. HANSARD, pp. 24-25.

Senator SCARR: Is it then the case that you believe that there needs to be far more government oversight of this process to ensure that the best outcome is achieved from the perspective of the market for the participants?

Ms Bowering: Yes, it is, and I'd be happy to have a conversation subsequently to get into a little more detail on my thoughts there.

Senator SCARR: Through you, Chair, perhaps if I could just ask the witness and also the representative of Link to take that on notice. I'm very keen to hear their views on what, practically, the government needs to do, or what government agencies should be looking to do, whether or not it's through administrative action, or through legislation, to ensure that this project doesn't result in risks occurring to the detriment of the market. I'd be very pleased if the witnesses could take that on notice.

Ms Bowering: Yes, happy to.

Answer:

Senator SCARR's office was contacted the afternoon following the Public Hearing – 30 June 2020.

We see an opportunity for the government (politically and via the relevant agencies ASIC, ACCC, Treasury and RBA) to increase their engagement, involvement and oversight of the CHES Replacement project. We see that this may go some way to addressing many of the issues and risks (financial, market, governance) that we have seen manifest, often because of the fact that ASX is a Vertically integrated Monopoly provider with significant and varied conflict of interests. Some of these conflicts include the fact that the ASX now operates as commercial 'for profit' organisation and that the ASX have a major investment in the technology provider they have chosen (Digital Assets) to partner with on the CHES Replacement project.