

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

2014 - 2015

Department/Agency: Australian Securities and Investments Commission

Question: BET - 308 - 313

Topic: Sale of ASIC Business Registry

Reference: Written - 15 June 2015

Senator: Dastyari, Sam

Question:

Budget allocates \$12.6m to tender to operate the ASIC Registry. Has the government got a sales figure in mind, and made any arrangements for current registry staff.

Budget Paper 2, page 93

The Government will provide \$11.6 million in 2015-16 to the Department of Finance to undertake a competitive tender process to market test the capacity of a private provider to upgrade and operate the ASIC Registry and to develop value added products. In addition, the Government will provide \$1.0 million in 2015-16 to ASIC to assist with preparations. This measure is part of the fourth phase of the Smaller Government reforms which reduce the size and complexity of government. The Smaller Government reforms are eliminating duplication and waste, streamlining services and reducing the cost of government administration.

- 308. How much revenue does the government earn from registry fees? (2014 est \$670m)
- 309. What sale price does the Minister consider appropriate to compensate for this lost revenue?
- 310. What ownership structure is planned as part of the sale - sale, lease, or some other mechanism?
- 311. Will regulations create oversight of pricing once the registry is privatised?
- 312. The registry currently operates as a monopoly – what measures would be put in place to ensure accountability of customer service, cost, privacy?
- 313. Will there be requirements in the tender to ensure employment security for current employees at the ASIC registry? (be firm)

Answer:

308. ASIC raises approximately **\$720** million annually in revenue for the Commonwealth, which covers revenue collected in relation to both ASIC's registry and regulatory functions.

309. The government has not made any decision to sell the ASIC Registry. As part of the 2015-16 Budget, the government announced that a competitive tender process would be undertaken to test the appetite of the private sector to operate and upgrade the Registry. The government has recently commenced a Registration of Interest (ROI) Phase asking parties with an interest in participating in the competitive tender process to formally register their interest. Information publically disseminated in relation to the ROI Phase identifies that the opportunity is focussed on unlocking the operational and growth opportunities within the Registry, with the private sector operator continuing to collect tax revenue on behalf of the Commonwealth.

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310. The ownership structure is still to be determined but anticipates the private operator operating and upgrading the ASIC Registry over a long-term period.

311. Necessary legislative changes will be made to support the operations of the ASIC Registry by a private operator.

312. The operation of the ASIC Registry will continue to be subject to oversight by the government, and any future private operator will be subject to a range of requirements to ensure accountability of customer service, cost and privacy.

313. The government is committed to ensuring that ASIC employees are treated in a fair manner, including through the preservation of accrued entitlements. The government has made it clear that the choice of a private sector operator for the ASIC Registry will take into account the government's strong preference for the Registry to maintain its existing operations in Traralgon, Victoria.