

13 February 2026

Mr Percy Bell  
Director  
Registry Data Policy Unit  
Digital Policy and Corporations Division  
The Treasury  
Langton Crescent  
Parkes ACT 2600

via email: [RegDataPolicy@treasury.gov.au](mailto:RegDataPolicy@treasury.gov.au)

Dear Mr Bell,

### **Registry Stabilisation and Uplift Design**

The Australian Small Business and Family Enterprise Ombudsman (ASBFEO) welcomes the opportunity to make a submission to the draft Treasury Laws Amendment (Business Registries Stabilisation and Uplift) Bill 2025.

Small businesses are the engine room of the Australian economy. They employ approximately 5 million Australians, representing 39% of the private-sector workforce, and contribute around one-third — \$590 billion annually — of Australia's GDP.<sup>1</sup> While small business is often defined as having an annual turnover of \$10 million or less, about 92% of these have a turnover of less than \$2 million.<sup>2</sup> This highlights that most Australian small businesses operate on a small or micro scale with resources and capabilities that differ markedly from those of larger enterprises.

The ASBFEO supports the integration of the Director Identification Number (Director ID) with the Company Register. Linking Director IDs to the Company Register will strengthen transparency across the business sector, enabling regulators to detect false and fraudulent director identities, and track a director across multiple companies. This enhanced traceability is essential to support regulators investigating illegal phoenixing activity.

In our 2022 *Inquiry into Small Business Natural Disaster Preparedness and Resilience*, we identified the potential for the Modernising Business Registers (MBR) program to better reflect the individual characteristics of small and family businesses. This could include, for example, business type, operational locations, and other fields relating to business characteristics within a single business registration. This function may have provided Government with vital information to enable

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<sup>1</sup> Australian Small Business and Family Enterprise Ombudsman (ASBFEO), *Contribution of Australian Gross Domestic Product*, ASBFEO, July 2025, accessed 11 February 2026, Australian Small Business and Family Enterprise Ombudsman (ASBFEO), *Contribution of Australian Employment*, ASBFEO, July 2025, accessed 11 February 2026

<sup>2</sup> Australian Small Business and Family Enterprise Ombudsman (ASBFEO), *Number of small businesses in Australia*, ASBFEO, July 2025, accessed 11 February 2026

targeted delivery of financial assistance and support programs including placed-based resources.<sup>3</sup> While the MBR program has now been closed, this registry uplift program may offer similar opportunities.

In addition, ASBFEO has assisted businesses that are benefitting from the Small Business Restructuring (SBR) process to have their company records on the Register reflect this fact. Australian Securities and Investments Commission (ASIC) has advised that limitations with the Company Register technology often see an SBR participant recorded on the Register as being under external administration when in fact a feature of SBR is that business owners remain in control. The depiction of a company proceeding with a SBR as being under 'external administration' is false, potentially detrimental to business recovery and commercially disadvantageous. This limitation and any legislative impediment to the proper recording of a business undergoing an approved SBR process should be urgently addressed.

ASBFEO's discussions with key stakeholders have identified several concerns which are outlined below.

#### ***Improving access to company information for reporting entities under the Anti-Money Laundering and Counter Terrorism Finance (AML/CTF) regime.***

Recent amendments to the AML/CTF regime have introduced new Customer Due Diligence (CDD) requirements for reporting entities.<sup>4</sup> Many AML/CTF reporting entities are themselves small businesses, operating on slim profit margins and are already facing complex and time-consuming regulatory burdens.

The proposed upgrades to the Company Register will aid reporting entities to undertake their CDD obligations by making it easier to confirm their customer is a registered director of their company. Consideration should be given to a mechanism enabling reporting entities to access company extracts at a reduced cost. This would assist in mitigating compliance costs while supporting reporting entities to meet their statutory obligations in an effective and proportionate manner.

Linking Director IDs to the Company Register will also benefit the ASBFEO and state small business commissioners who support small businesses and individuals in financial distress or disputes. These entities frequently use the Company Register to identify and contact business owners or directors to aid in resolving disputes. Further consideration should be given to how they may access company extracts at a reduced cost.

#### ***Coercive Directorships and Privacy***

We welcome the announcement by the Treasurer, the Hon Dr Jim Chalmers MP, to restrict public access to residential address of directors, ensuring that sensitive information is only made available for legitimate business and legal purposes.<sup>5</sup> Public access to this information could place

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<sup>3</sup> Australian Small Business and Family Enterprise Ombudsman, *Small Business Natural Disaster Preparedness and Resilience Inquiry Report*, ASBFEO, March 2022, p. 16

<sup>4</sup> Department of Home Affairs, *Changes to customer due diligence*, Department of Home Affairs, 18 July 2025, accessed 2 February 2026

<sup>5</sup> B Butler, *Treasurer asks ASIC to restrict public access to company directors' home addresses*, ABC News, 3 February 2026, accessed 3 February 2026

directors and their families at risk, and undermine the government's actions to end violence and coercive behaviours against women. The proposed tiers of access in the background paper should provide a useful framework to help determine who has access to director information and address privacy concerns.

The proposal for ASIC to confirm directors are aware of, or dispute, their appointment is a practical safeguard to help prevent coerced directorships. This measure also represents an important opportunity to provide awareness raising prompts and support resources to newly appointed directors highlighting the significant personal and business responsibilities that accompany a directorship. We support the Treasury's proposal to allow directors to resign via application to ASIC, instead of resigning to the company. This will provide vulnerable people — for example, at risk of coercion, threats, or undue influence — with a safer, more secure method of resigning from their position. These reforms are particularly important to help ensure that company directorships are accepted and maintained freely and with informed consent.

#### ***Ensuring appropriate access to Director IDs***

First Nations, culturally and linguistically diverse (CALD) communities, and other vulnerable individuals may face obstacles accessing the standard identification documents in the format typically required when applying to the Australian Business Registry Service to obtain a Director ID. In 2021-22 Australia's CALD community made up 37% of Australia's 1.7 million sole traders<sup>6</sup>, so empowering these communities to obtain a Director ID will enable them to transition their businesses to company structures that better support growth, regulatory compliance, and financial resilience.

The Australian Government should therefore review current laws to ensure that identification requirements are inclusive of all Australians, while also maintaining the integrity of Australia's corporate system. This could involve using alternative ways to verify identity, offering outreach and help programs, and setting up dedicated support channels for those experiencing challenges.

Generally, directors of cooperatives and mutuals established under state or territory legislation do not need to get a Director ID (director identification number), unless they are also a registered Australian body (e.g., have an ARBN with ASIC). Given the economy-wide benefits of Director IDs, it would be worth consulting with representative bodies including the Business Chamber for Cooperatives and Mutuals to explore if this perceived anomaly should be addressed.

#### ***Developing a public central register of beneficial ownership for unlisted companies.***

On 15 October 2025 the Assistant Minister for Productivity, Competition, Charities and Treasury, The Hon Dr Andrew Leigh MP, announced the Australian Government would proceed directly to a public, Commonwealth-operated register of beneficial ownership information for unlisted companies.<sup>7</sup> We support the Treasury undertaking further investigation into the potential of using

<sup>6</sup> Australian Small Business and Family Enterprise Ombudsman (ASBFEO), *Sold Traders – the unsung hero of Australia's economy*, ASBFEO, January 2026, Accessed 4 February 2026

<sup>7</sup> The Hon Dr Andrew Leigh MP, *Improving transparency of the true owners of companies*, the Treasury, 15 October 2025, accessed 3 February 2026

the proposed model of registry uplift for future incorporation of beneficial ownership requirements.

Establishing a central register for up-to-date and verified beneficial ownership information would enhance transparency, help prevent the misuse of corporate structures for illicit purposes, and make it easier for small businesses to meet their regulatory obligations.

If you require further information, please do not hesitate to contact the Advocacy Team via email at [advocacy@asbfeo.gov.au](mailto:advocacy@asbfeo.gov.au).

Yours sincerely



**The Hon. Bruce Billson**

Australian Small Business and Family Enterprise Ombudsman