

Submission to the Senate Economics Committee

Inquiry into the Business Names Registration

Bill 2011

Veda is an information economy company, best known as Australia's largest consumer credit reporting agency. Our extensive involvement with consumer credit information has given us considerable data analytic skill, particular in the field of credit risk assessment and fraud.

In recent years, there has been increasing demand for data services to assist businesses to meet legislative requirements:

- Responsible lending obligations under the National Consumer Credit Protection Act contain broad obligations on lenders to verify a credit applicant's financial circumstances.
- Under the Anti-Money Laundering and Counter-Terrorism Financing Act (AML/CTF), there is a mandated requirement to collect the registered business name for certain classifications of business ownerships. Where a potentially higher risk is identified, the legislation requires reporting entities to take additional steps to verify information provided.

In response to these needs, Veda has a range of data products and services using information from a wide variety of sources, including information from ASIC extracts, public record data (bankruptcies, court judgements etc) and information available (as paid extracts) from state business names registers. Typically, lenders seek to identify potential risk; this in part can be gained from the ability to see connections that may not have been disclosed by a credit applicant.

For many years Veda has obtained information from the various state business name registers. Each state had varying requirements for registering of business names, the manner of searching the register and the range of information disclosed. We therefore welcome the development of a single national register, easing the administrative burden of dealing with six or more differing registries.

In moving from a state to federal jurisdiction, Veda notes the breadth of data has been considerably reduced. For the Committee's consideration, we include a table that compares

information presently available from each state with that proposed in the new Commonwealth Register.

The most significant issue for the new Register will be ensuring the information disclosed on paid extracts are able to be correctly matched to the person enquired for.

Matching is not a simple task.

Looking at the more than 15 million names on the consumer credit bureau, enquiries that use name and address will result in a match rate of 65 per cent at best. Where date of birth can also be used, this climbs to 80-85 per cent.

On any large database, first-surname name repetition (“Robert Jones, John Smith,”) will occur for approximately 9 per cent of entries. In Australia, there are around 400 first-surname combinations each with more than 500 people. One of the most common of these, Robert Smith, occurs 2,100 times. For the purposes of matching, information economy companies must also be able to distinguish and correctly match, Bob Smith; Rob Smith; as well as being able to recognise “Robbie Smith Junior” as a different person.

Veda also brings to the Committee’s attention that while “Smith” may be relatively evenly spread across Australia, clustering of particular names makes correct matching even more difficult.

A cursory look at the white pages reveals there are 258 Lee/Li listed telephone subscribers in Chatswood, 2067, NSW.

Even with first name provided, there can be insurmountable difficulties with data matching accuracy. For instance, in the consumer credit bureau there are 260 “Thanh Nguyens” residing in Cabramatta, 2166, NSW.

While the draft legislation (and earlier draft regulations) is silent on the question of how searches of the Register are to be conducted, consultations to date leave us with a concern about the operation of the Register.

Veda continues to be in discussion with the Government. We believe the Register can ensure accurate return of useable information and that this can be achieved in a manner consistent with the application of privacy principles elsewhere as practiced by the Commonwealth.

For the purposes of the Committee's deliberations, we seek support for the following:

That the Committee notes that:

- The information held on the business names register assists business to meet legislative requirements of the National Consumer Credit Protection Act and further, the collection and verification of business names is a specific obligation under the Anti-Money Laundering and Counter-Terrorism Financing Act.
- That the Register must operate in a fashion so as to ensure the information it discloses on paid extracts is matched to the particular entity enquired for.

Type of Data Held	Vic - Business Names Act 1962	NSW - Business Names Act 2002	QLD - Business Names Act 1962	ACT - Business Names Act 1963	Tas - Business Names Act 1962	SA - Business Names Act 1996	WA - Business Names Act 1962	NT - Business Names Act 2007	CW BUSINESS REGISTER
Section/Clause	6 (2A)	Division 4, 20 (2) & (3)	7 (1)	6 (1) 7 (1)	6.(1) 7.(1)	11 (3)	6.(1) 7.(1)	PART 4, 49.(1) & (2)	
Business Name Information									
Business number	Y								
Business name	Y		Y	Y	Y		Y	Y	Y
Other name (substitution)			Y	Y	Y		Y		
Status of Registration	Y								
Date of registration status	Y	Y							
Date business commenced	Y	Y	Y	Y	Y		Y		
Date business ceased		Y							
Date of Renewal of registration	Y	Y							
Term of registration			Y	Y					
Nature of business	Y	Y	Y	Y	Y	Y	Y		
Address of registered business	Y	Y	Y	Y	Y	Y	Y	Y	Y
Address for notice of service		Y					Y	Y	
Address - previous registered business address	Y								

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Address - postal address	Y		Y						
Address - other business addresses	Y	Y		Y	Y	Y	Y		
Address - previous other business addresses	Y								
Internet address	Y								
Proprietor Information									
Name of current proprietors	Y	Y	Y	Y	Y	Y	Y		Y
						Y			
Date of Birth of Current proprietors		Y	Y	If an applicant is a child	If an applicant is an infant	Y	If an applicant is an infant		
Place of birth of current proprietors			Y						
Date current proprietors name registered	Y								
Address of current proprietors	residential	proper address	usual place of residence	proper address	usual place of residence	residential	usual place of residence		
						Y			
Name - current proprietors previous name	Y			Y	Y		Y		
Date current proprietors name changed									
ACN		Y							

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ABN	Y	Y							Y
Name of former proprietors	Y								
Date former proprietor ceased									
Address of former proprietors	Y								
Name - former proprietors previous name	Y								
Date former proprietors name changed									
Other	Y	Y				Y			