



CHARTERED ACCOUNTANTS™
AUSTRALIA + NEW ZEALAND

23 June 2022

Department of Home Affairs
via [submission website](#)

Dear Sir/Madam,

National Data Security plan

Chartered Accountants Australia and New Zealand (CA ANZ) welcomes the opportunity to comment on the *National Data Security Plan*. We have focused our feedback on areas where we consider we can add the most value.

Government's role – Federal, State and Territory and municipal government uplift

The need for streamlined guidance and regulation across all levels of Government is evident as the paper acknowledges that most stakeholders strongly support increased adoption of security measures by manufacturers and software developers at the design phase. This indicates that the public rely on the Government, at all levels, to ensure providers of data storage solutions design and update their product offerings to mitigate the possibility of data breaches.

Yet we remain unclear how the National Data Security Action Plan (the Plan) will ensure consistency and drive uplift of data security. From the consultation paper, it appears to be an additional Government paper businesses and individuals will need to be aware of yet it will not impose enforceable obligations. As demonstrated in Figure 3 in the consultation paper, there are already nine Government agencies at the Federal level with varying roles and responsibilities. Those role and responsibilities are fulfilled through 14 Government mechanisms. All this before the adoption of this Plan.

We recommend, rather than sit alongside Australia's Cyber Security Strategy 2020 as proposed, that the aims of this plan be embedded in existing mechanisms. Alternatively, this Plan could incorporate one or more of the existing mechanisms. Streamlining the approach at the Federal level can then be the first step in coordinating a common set of data security standards across all levels of government.

Clarity and Empowerment for Business

Many of our members in public practice run their own business and we consider they have sufficient awareness of their data security obligation. Many are agents of the Tax Practitioners Board and/or holders of a licence issued by the Australian Securities and Investments Commission, such as an Australian Financial Services licence. Our members comply to data protection requirements under the *Income Tax Assessment Act 1997* (Cth), the *Corporations Act 2001* (Cth), the *Privacy Act 1988* (Cth) and the related Regulations and Rules.

As a professional body, we also hold our members accountable to the Accounting Professional & Ethical Standards (APES) Board standards. Of relevance to data security is APES 305 *Terms of Engagement*, which requires our members to make clear to their clients the purpose for collecting data, ownership of documents and data and details of where data will be stored. This is supported by guidance note APES GN 30 *Outsourced Services* which requires our members to take reasonable steps to determine that an outsourced service provider has systems and procedures in place to prevent unauthorised access.

Empowering and Education Citizens and Consumers (the Community)

We recognise the complex balance between facilitating the free-flow of data with securing digital identities. Using as a reference the Consumer Data Right (CDR), identified in Figure 4 as a core strategy connection, we are concerned that the CDR is driven by the interests of product and service providers rather than the needs and resources of the community.

As the CDR is expanding to new sectors, the Rules become more complex with additional data security requirements added to capture sector specific needs. This fragments who is able to participate in the CDR. A recent consultation paper seeking views on expansion into the financial services sector acknowledges that the cost for data holders to be compliant with the CDR regime is outside the resources of small to medium businesses. The proposed solution is to mandate only large financial services providers as data holders and make it voluntary for smaller providers.

For members of the community that have a product from a small bank, a data holder under the CDR, and a product from a small financial service provider, who cannot afford to participate in the CDR, how their data is secured will vary. Similarly, who they can raise a complaint about the management of their data will vary dependent on if they are, or are not, a participant in the CDR.

The additional data security requirements in the CDR flow through to our members seeking to access clients accounting data if held by a participant in the CDR. Our members are Trusted Adviser within the CDR and, when nominated by their client to an accredited data recipient (ADR), may receive accounting data. Yet ADR's believe they may decline to provide this data if the systems of trusted advisers do not comply to the data security standards under the CDR.

If the CDR regime is the template for the balance between the free-flow of data and security of data, we are concerned it would restrict rather than empower the community to control and reap benefits from sharing their own data.

Conclusion


In seeking to adapt the Government's approach to ensure there is a common understanding of data security in business and the community, we recommend the burden of applying expertise to make data holding secure is placed on those best resourced to do so, the manufacturers of products to store data. To empower the community to make best use of their data, we recommend surveys are undertaken with the community to clearly identify their concerns, the level of information they want about storage of their data and in what form they wish that information to be made available.

Appendix A provides more information about CA ANZ. Should you have any questions about the matters discussed above or wish to discuss them further, please contact Karen McWilliams via email at karen.mcwilliams@charteredaccountantsanz.com or phone (612) 8078 5451.

Yours sincerely



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Advocacy & Professional Standing



Karen McWilliams FCA
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Appendix A

About Chartered Accountants Australia and New Zealand

Chartered Accountants Australia and New Zealand (CA ANZ) represents 131,673 financial professionals, supporting them to make a difference to the businesses, organisations and communities in which they work and live. Chartered Accountants are known as Difference Makers. The depth and breadth of their expertise helps them to see the big picture and chart the best course of action.

CA ANZ promotes the Chartered Accountant (CA) designation and high ethical standards, delivers world-class services and lifelong education to members and advocates for the public good. We protect the reputation of the designation by ensuring members continue to comply with a code of ethics, backed by a robust discipline process. We also monitor Chartered Accountants who offer services directly to the public.

Our flagship CA Program, the pathway to becoming a Chartered Accountant, combines rigorous education with mentored practical experience. Ongoing professional development helps members shape business decisions and remain relevant in a changing world.

We actively engage with governments, regulators and standard setters on behalf of members and the profession to advocate boldly for the public good. Our thought leadership promotes prosperity in Australia and New Zealand.

We are a member of the International Federation of Accountants and are connected globally through Chartered Accountants Worldwide and the Global Accounting Alliance. Chartered Accountants Worldwide brings together members of 15 chartered accounting institutes to create a community of more than 1.8 million Chartered Accountants and students in more than 190 countries. CA ANZ is a founding member of the Global Accounting Alliance which is made up of 10 leading accounting bodies that together promote quality services, share information and collaborate on important international issues.

We have a strategic alliance with the Association of Chartered Certified Accountants. The alliance represents more than 870,000 current and next-generation accounting professionals across 179 countries and is one of the largest accounting alliances in the world providing the full range of accounting qualifications.

We employ more than 500 talented people across Australia, New Zealand, Singapore, Malaysia, Hong Kong and the United Kingdom.