18 September 2026

Attorney-General's Department
4 National Circuit
BARTON ACT 2600

BY ELECTRONIC LODGEMENT

Dear Sir/Madam,

SMSF ASSOCIATION SUBMISSION – PRIVACY REFORM CONSULTATION

The SMSF Association welcomes the opportunity to comment on the proposed Privacy Amendment (Personal Data Protection) Bill 2026. We support the objective of strengthening personal information protections while providing greater clarity and certainty for regulated entities.

Our comments focus on the practical implications for professionals servicing the self-managed superannuation fund (SMSF) sector, including accountants, tax agents, financial advisers, SMSF auditors and administrators. These professionals routinely handle significant volumes of personal and, in some cases, highly sensitive information. Many operate as small or medium-sized businesses and are simultaneously implementing substantial regulatory and system changes across a range of reforms.

Key Recommendations:

- OAIC should provide comprehensive, practical guidance well before commencement, including examples tailored to SMEs and professional services firms.
- The operation of the proposed de-identification requirements, particularly the extent of any ongoing monitoring obligation, should be clarified.
- Guidance should expressly address the interaction between privacy obligations and statutory, professional and other regulatory record-retention requirements.
- Government should explore greater use of authoritative government-held information and reusable verified data to reduce unnecessary duplication and retention of personal information by professional firms.

Implementation, regulatory overlaps and guidance

Guidance will be critical to implementing the reforms successfully. We acknowledge the OAIC's strong record of providing practical guidance and encourage this to continue, with sufficient lead time before commencement.

This is particularly important for SMEs. Many accounting, tax and advisory practices are currently implementing new systems, procedures and controls in response to AML/CTF Tranche 2. They are also dealing with other significant changes, including Payday Super, taxation reforms and the consequential work required to support clients through those changes.

Privacy reforms may require further changes to information collection, storage, security, consent, retention and destruction processes shortly after those systems have been established. The associated implementation cost and capacity constraints need to be recognised when determining commencement and transitional arrangements.

We recommend that the OAIC develop practical examples for professional firms and SMEs and, where appropriate, coordinate guidance with other relevant regulators to minimise inconsistent or duplicative requirements.

De-identification and ongoing monitoring

The proposed definition recognises that de-identification is not a static condition and may change as technology and the availability of other data develop. The proposed APP 11 obligations also require entities to regularly assess the effectiveness of their compliance measures and, where information has been de-identified, to consider whether it remains de-identified, whether re-identification risks continue to be appropriately managed, and whether retention in de-identified form remains justified.

For smaller professional firms, the practical scope of this obligation is unclear. Guidance should explain what constitutes a reasonable frequency and level of review, the circumstances that should trigger reassessment, and what technical expertise an SME can reasonably be expected to possess. Obligations should remain proportionate to the entity's size, resources, and risk profile.

Record retention and competing professional obligations

Professional advisers frequently need to retain information for reasons that extend well beyond the transaction for which it was initially collected.

For example, financial advice involving life risk insurance may require the collection of financial, medical, family, and estate-planning information. That information may remain relevant many years later when a claim is made, or the advice provided is subsequently reviewed.

Similarly, tax practitioners may face a tension between minimum statutory record-keeping periods and longer periods during which the ATO may review historical matters. Clients also frequently expect their practitioner to maintain copies of records on their behalf.

The reforms appropriately recognise that information need not be destroyed merely because it is old. However, practitioners operating across tax, superannuation, financial services, auditing and other regulatory frameworks need greater certainty about how these requirements interact.

We recommend practical guidance on statutory record keeping, professional standards, potential future claims, limitation and review periods, audit requirements, and legitimate client expectations. The objective should avoid placing professionals in a position where they must choose between competing regulatory expectations.

Reducing unnecessary duplication of personal information

The reforms provide an opportunity to consider whether privacy risk can be reduced not simply by imposing additional controls on information businesses hold, but by reducing the amount of information businesses need to collect and retain in the first place.

Increasingly, government already holds verified information, or makes it available through secure, government-supported infrastructure, including ATO online services, Centrelink, the Consumer Data Right and Digital ID arrangements.

Government should explore an "assess or verify once, use many" approach under which, where appropriate, a practitioner could rely on authoritative information held by government or a verified digital credential rather than separately obtaining and indefinitely retaining duplicate copies of the same information.

For example, consideration could be given to whether prescribed information available through an ATO system could satisfy an applicable evidentiary or record-keeping requirement without requiring the practitioner to retain an additional copy, provided an appropriate auditable record of the verification exists.

Such an approach could simultaneously improve privacy protection, reduce the consequences of a cyber incident and lower regulatory compliance costs.

Data breach notification

We broadly support the proposed 72-hour notification period. Importantly, the period does not replace the existing period for investigating every suspected breach. The 72-hour requirement arises once the entity becomes aware of reasonable grounds to believe that an eligible data breach has occurred. Where there are only reasonable grounds to suspect a breach, the entity continues to have up to 30 days to complete its assessment.

The ability to provide an incomplete statement within the 72-hour period where a complete statement is impossible or impracticable also provides important flexibility.

Practical examples explaining the distinction between suspicion and reasonable grounds to believe would assist smaller professional practices.

Conclusion

The Association supports stronger privacy protections and a clearer, more contemporary privacy framework. For professionals in practice, the principal issue is less about the policy objective and more about ensuring that these reforms can be implemented sensibly alongside the numerous other regulatory obligations applying to professional practices.

Clear guidance, appropriate transition periods, recognition of overlapping record-retention obligations and greater use of trusted government-held information can materially reduce compliance costs while also achieving the Government's objective of reducing privacy and cyber-security risk.

If you have any questions about our submission, please do not hesitate to contact Tracey Scotchbrook, Head of Policy and Advocacy, via email at traceyscotchbrook@smsfassociation.com

Yours sincerely,

Tracey Scotchbrook

Tracey Scotchbrook
Head of Policy and Advocacy

ABOUT THE SMSF ASSOCIATION

The SMSF Association is the peak body representing the self-managed superannuation fund (SMSF) sector which is comprised of over 1.2 million SMSF members and a diverse range of financial professionals. The SMSF Association continues to build integrity through professional and education standards for practitioners who service the SMSF sector. The SMSF Association consists of professional members, principally accountants, auditors, lawyers, financial advisers, tax professionals and actuaries. Additionally, the SMSF Association represents SMSF trustee members and provides them with access to independent education materials to assist them in the running of their SMSF.