

28 February 2021

Data Economy Unit  
Market Conduct Division  
The Treasury  
Langton Crescent  
Parkes ACT 2600

Via email: [mbcomms@treasury.gov.au](mailto:mbcomms@treasury.gov.au).

To whom it may concern:

**Re: ABSIA's Submission to Modernising Business Communications - Improving the Technology Neutrality of Treasury Portfolio Laws**

The Australian Business Software Industry Association (ABSIA) welcomes the opportunity to make this submission on behalf of our members and the software industry.

ABSIA supports the Treasury's work here to make relevant legislation technology neutral and bring it inline with how regulators, businesses and consumers use technology to interact with each other. Further, ABSIA supports the digitisation of both business and government processes.

In answering the questions from the consultation paper, this submission covers the following points:

- Current business communication requirements do create a burden for businesses which is why ABSIA supports the second option outlined on page 3 of the consultation paper. Maintaining the status quo is not an option and legislation should be updated to reflect current and future technology being used by businesses and consumers;
- Ensuring that legislation is technology neutral will be important moving forward to ensure that legislation will support future technology solutions;
- We anticipate that changing Treasury laws to be technology neutral will result in significant savings for a number of businesses;
- We agree with the categories of communications outlined in the consultation paper but we believe the end goal for the Government should be to digitise all communications from regulators;
- We agree with the proposed principles outlined in the consultation paper and encourage Treasury to continue consulting with businesses and consumer if the proposed principles change over time;
- The regulatory burden should be on the Government to manage the impact on businesses and consumers. This should include an education campaign to ensure people are aware of the changes; and

- There may be risks with implementation. The risks we have been identified are outlined in our response to question 7.

ABSIA would appreciate the opportunity to engage further on the points laid out in this submission. For further information, please contact Maggie Leese on [maggie@absia.asn.au](mailto:maggie@absia.asn.au).

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Simon Foster', written in a cursive style.

**Simon Foster,**  
**President**  
**Australian Business Software Industry Association, Limited.**

### **1. Do the business communication requirements in Treasury laws create a burden on business?**

Yes. The examples outlined in the discussion paper demonstrate why these communication requirements are a burden on businesses. Modernising and ensuring these requirements are technology neutral will assist in reducing the cost of complying with out of date communication techniques and allow businesses and consumers to communicate using the methods they prefer.

#### **b. Are there non-regulatory requirements that inhibit businesses, consumers or regulators from using their preferred method of communication? If so, please provide examples.**

Aside from the overarching legislation not enabling businesses, consumers or regulators to use their preferred methods of communication, some barriers may include:

- The cost of implementing and maintaining digital solutions;
- The potential need to operate multiple solutions if they send or receive a mix of traditional and digital communications;
- Avoiding the change management involved in moving to digital solutions if there is no pressure from regulators to make the move;
- Not understanding the benefits and savings of moving to digital communication solutions; and
- A hesitance to adopt technology they do not trust or are not familiar with.

### **2. What is the cost of complying with the current regulations? Please provide a breakdown of costs and an indication of the frequency at which these communications occur.**

#### **a. Would these costs be reduced if the law was technology neutral? Please provide a breakdown of any anticipated savings and any non-monetary benefits**

We anticipate that costs will be significantly reduced for a number of businesses that already transact digitally. For them it may mean no longer having to use more traditional methods or no longer having to run two processes in parallel. However, for others that need to adopt new technology, it may come at an upfront cost but we believe that the ongoing costs here would still result in a cost reduction.

### **3. Do you agree with the categories of communication outlined in the consultation paper?**

Yes we agree with the categories that were outlined in the discussion paper. However, the end goal for the Government should be to consider digitising all communications from regulators. Further, the ATO should be listed and treated as a regulator throughout this consultation process.

#### **a. Are there other types of business communication that should be considered?**

Under 'Payment Methods', it is important to consider the linking of payments and e-invoicing.

While identity is touched upon throughout the consultation paper, more thought should be given to how an individual can prove their identity now and ensure Treasury (and other) laws support digital identity verification methods. Here, technology neutrality means that an individual would no longer have to provide a 100 point check. Instead, individuals should be able to utilise solutions accredited under the Trusted Digital Identity Framework.

**b. Do you agree with the proposed principles outlined in the consultation paper or are there additional or alternative principles that should be considered?**

Overall, ABSIA agrees with the proposed principles and we look forward to how they may change and be enacted as this consultation process moves forward. We encourage the Treasury to continue consulting with businesses and consumers to ensure the proposed principles meet the industry's expectations.

**c. What, if any, barriers would restrict implementation of the proposed principles?**

The limitations of the Electronic Transactions Act may restrict the implementation of the proposed principles. Namely the need for individuals and businesses needing to consent to using certain communication methods. Under the *Written Communication with Stakeholders* section, while electronic methods are increasingly becoming the default method, where a business may have to notify consumers by both electronic means and hard copy this could come at a cost and be inconvenient for some businesses. Similarly with electronic signatures, the individual or business receiving the signature must consent to the use of an electronic method. Without consent, the person providing the signature may then need either sign on paper or physically attend a premises which again comes at a cost and may be inconvenient. To avoid disadvantaging businesses and individuals, reviewing the Electronic Transactions Act should be considered.

**5. Which of the options identified on page 3 do you consider would provide the biggest benefits while appropriately managing risk?**

ABSIA supports the second option as we believe that maintaining the status quo is not an option. Business processes have evolved with technology over time but the legislation has not. Changes to relevant legislation are needed to reflect the technology currently being used by businesses, consumers and regulators. With technology changing at a rapid pace, ensuring that the legislation is technology neutral moving forward is incredibly important.

**6. If technology neutral reforms are introduced, what should businesses do to manage the impact of these changes, to ensure that benefits are realised and disadvantages overcome?**

We do not expect there to be major impacts to businesses. Instead we believe that it will allow many to continue operating as they already are without also having to manage traditional communications.

The burden should lie with the Government and regulatory bodies. They should be responsible for managing the impacts on businesses and making it as easy as possible for businesses to adjust. To assist with change management, the Government should run an extensive

awareness campaign to ensure businesses and individuals are aware of the changes and how they will impact them.

**7. What transitional issues do you foresee for businesses, consumers and regulators in moving to technology neutral communication methods?**

**a. What are the key implementation risks and their likelihood of occurring? How can we mitigate these risks? Please provide examples.**

Continuing on from our previous point, an education campaign will be important to ensure that businesses and consumers are aware about what changes are happening and when.

A major risk is that some businesses may not want to adopt digital solutions because they do not see the need to. If not enough of their clients are wanting to receive digital communications, they may not want to bear the costs of adopting digital solutions if only a few clients want to receive their communications this way.

Another risk, which has been an issue for many years across both digital and traditional methods, is consumers and businesses providing incorrect or incomplete information. While it may be difficult to create change here, it will still be important to remind consumers and businesses about the importance of providing the correct information.