

27 August 2021

Cyber, Digital and Technology Policy Division  
Department of Home Affairs

Via: [Home affairs submission from](#)

Dear Sir or Madam,

## Strengthening Australia's cyber security regulations and incentives

Chartered Accountants Australia and New Zealand (CA ANZ) welcomes the opportunity to contribute feedback to the Department of Home Affairs on strengthening Australia's cyber security regulations and incentives discussion paper (discussion paper).

We have focused our feedback on those areas where we consider we can add the most value as detailed below. Appendix A provides more information about CA ANZ.

### General Comments

We support the objective within the discussion paper 'to reduce the social and economic impacts of cyber security incidents to Australia's digital economy and society'. We see strengthening of cyber security awareness amongst the general population as well as the business community as a fundamental step towards achieving this objective.

We consider the Government's role to be pivotal in facilitating continued collaboration for a harmonised approach and highlight the importance for Government to consider the interrelation (and potential overlap) of existing Australian (and international) standards and regulations in areas such as Artificial Intelligence (AI).

### 4. Governance standards for large businesses

In recent times, senior business leaders have been required to accelerate their understanding on a vast range of non-financial risks, taking into account the interconnected, multi-tiered nature of the risks, the relationships between the risks and the potential financial impacts. For example, COVID-19 has significantly impacted businesses, with many trying to protect their day to day solvency whilst meeting their obligations as employers. In addition, many large businesses are also required to adhere to mandatory requirements such as payment times reporting and modern slavery which has required additional resources to meet requirements.

#### *What is the best approach to strengthening corporate governance of cyber security risk? Why?*

In principle, we support option 1 – voluntary governance standard. As noted above, senior business leaders are required to consider a vast range of opportunities and risks as well as balance regulatory requirements. By providing a voluntary option, which is developed in conjunction with industry, and supported by practical general and industry specific guidance could increase awareness amongst senior business leaders and contribute towards stronger cyber security related corporate governance.

This could be incorporated via the ASX Corporate Governance Principles and Recommendations on an 'if not, why not' basis for listed entities and a voluntary basis for other organisations. However, we note that responsibility for the Corporate Governance Principles and Recommendations ('the Principles and Recommendations') rests with the ASX Corporate Governance Council (the Council).

If the Government decides to develop a separate (voluntary or mandatory) governance standard, they will need to consider how this would integrate with the existing governance requirements for Australian businesses. As noted, there are a diverse range of risks that businesses are managing, and it is important for governance of cyber security to fit within these wider considerations. In this situation, it may be logical for the definition of large business to align with thresholds for recent existing requirements eg: payment times reporting and modern slavery whilst noting the cumulative burden on these entities, particularly at the lower end of the thresholds. However, we also note that cyber security risk levels don't necessarily correlate with entity size.

*What cyber security support, if any, should be provided to directors of small and medium companies?*

Support to directors of small and medium companies should consist of a combination of resources which aim to raise awareness as well as educate to enable practical considerations and implementation for business. In addition to supporting guidance, interactive forums such as webinars (coupled with Q&A) and education products (such as self-paced e-learning) may also be useful to directors of small and medium companies. Further, they are likely to benefit from access to immediate support in the event of an actual cyber-attack on their business which could be via a Government provided support helpline.

*Are additional education and awareness raising initiatives for senior business leaders required? What should this look like?*

As cyber security (and any areas focused on technology) is rapidly changing and evolving, it will be important for senior business leaders as well as those working within the business to be as up to date as possible. Regular updates from Government (which could be in conjunction with leading technology companies) on the latest attacks and sharing case studies of good practice from businesses of all sizes could serve as part of continued practical awareness raising. It will also be important for the Government to convey continued strong messaging around the advantages of good cyber security practices and open sharing of knowledge and experiences within the community to build a stronger economy.

## **9. Health checks for small businesses**

We support the proposal in the discussion paper for the Australian Government to provide greater support to small businesses. In consideration of the options, we support the simple mechanism to improve cyber security for small businesses by introducing a voluntary cyber security health check program (Option 1 – Cyber health checks for small businesses). We see this check as being of benefit to small businesses without imposing additional excessive costs or requiring additional resources.

We note within the discussion paper that option 1 could potentially be tested in a pilot program. We express our interest in being kept up to date whilst the potential options are explored. We would be happy to reach out to our members, who are also small business owners, for interest in participation.

Should you have any questions about the matters discussed above or wish to discuss them further, please contact Karen McWilliams via email at [REDACTED] or phone [REDACTED].

Yours sincerely

**Simon Grant FCA**  
**Group Executive**  
**Advocacy & Professional Standing**

**Karen McWilliams FCA**  
**Business Reform Leader**  
**Advocacy & Professional Standing**

# Appendix A

## About Chartered Accountants Australia and New Zealand

Chartered Accountants Australia and New Zealand (CA ANZ) represents more than 130,000 financial professionals, supporting them to build value and make a difference to the businesses, organisations and communities in which they work and live.

Around the world, Chartered Accountants are known for their integrity, financial skills, adaptability and the rigour of their professional education and training.

CA ANZ promotes the Chartered Accountant (CA) designation and high ethical standards, delivers world-class services and life-long 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 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 in the public interest. Our thought leadership promotes prosperity in Australia and New Zealand.

Our support of the profession extends to affiliations with international accounting organisations.

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 13 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 also 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.