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Sam Grundy
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Dear Sam

Consultation on the Electronic Transactions Act

CPA Australia represents the diverse interests of more than 170,000 members working in over 100 countries and regions around the world. We provide the following comments in response to the consultation paper on how the *Electronic Transactions Act 1999* regulates e-commerce in Australia.

In preparing this submission, members shared with us the following observations:

Consent requirements

- Question 3 – most business-to-business transactions are done electronically. Invoices, for example, can be sent directly from the accounting software of a supplier to the accounting software of a customer, bypassing the person who initiated the transaction. In that situation, it's not clear whether the organisation has given its consent to the transaction or to deal electronically with the supplier unless further checks are made.
- Question 5 - it is not cost effective for businesses, especially those transacting in high volumes, to ask a customer to provide clear consent for every type of e-transaction. Businesses should, however, have appropriate internal controls in place to reduce the risk of fraud with e-transactions.
- Some state governments only permit the sale of real property to be completed electronically. Given such transactions will be the largest transaction most people will make in their life, some are uncomfortable with this requirement. Growing community concerns over cybersecurity adds to this discomfort.
- Question 7 – people may be more comfortable e-signing documents for government departments if they include multi-factor authentication requirements.
- Question 8 – if businesses feel that the requirement to collect consent makes it difficult to conduct e-commerce, the government may consider creating educational tools explaining the benefits of consent for both parties to an e-transaction.
- Question 13 – we would like to understand if a process can be stipulated for a private key and/or transaction hash to be considered as constituting a signature for blockchain transactions.

Cyber risk and electronic transactions

The cyber risk environment is rapidly changing. The swift advancement and proliferation of cyber threats creates many uncertainties. It's difficult to keep track of the emerging threats and delays in the dissemination of information (and the reading of that information) can leave electronic transactions highly exposed.

As such, the data 'provenance' of e-signatures and electronic records is of increasing importance and should be subject to greater public discussion. As one member stated: "*it's just very hard to anticipate how largely analogue processes, which have been digitised/digitalised, will come under threat.*"



If you have any queries, please contact Gavan Ord, Senior Manager Business Policy on gavan.ord@cpaaustralia.com.au

Yours sincerely,

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