



Insurance Council  
of Australia

11 March 2025

Department of Home Affairs  
Data Retention Review Team  
6 Chan St  
Belconnen ACT 2617

**By email: [dataretentionreview@homeaffairs.gov.au](mailto:dataretentionreview@homeaffairs.gov.au)**

Dear Sir/Madam,

## **Australian Government Data Retention Review**

The Insurance Council of Australia (Insurance Council) welcomes the opportunity to provide a submission on the Australian Government's *Data Retention Review*.

The Insurance Council is the representative body of the general insurance industry in Australia and represents approximately 89% of private sector general insurers. As a foundational component of the Australian economy, the general insurance industry employs approximately 46,000 people, generates gross written premium of \$66 billion per annum and on average pays out \$159 million in claims each working day (\$39.4 billion paid out per year).

The Insurance Council and its members strongly support the reduction of red tape and reduced regulatory burden for industry. In March 2025, the Menzies Research Institute released its report *The Productivity Imperative: Policies for a Prosperous Australia*, which outlined the importance of reducing red tape to drive productivity and achieve real wage growth and improve living standards.

In our current economic climate, reducing red tape is one easy, low-cost option for the Australian Government to support our economy. We are aware that tranche two reforms to the *Privacy Act 1988* are under consideration, which includes potentially expanding the Act to all small businesses. General insurers support the Australian Government's objectives in streamlining data retention regulation and urges the Government to consistently adopt this objective across any further changes to the *Privacy Act 1988*.

### **Regulatory context**

General insurers are heavily regulated and must comply with a complex web of legislative instruments to manage how they obtain, store and destroy data. The Insurance Council and its members support streamlining and clarifying these requirements where possible.

The statutory objects relating to data retention and management vary in their approach to specifying retention periods for insurers, which can cause confusion. It can also be unclear which legislative instrument takes precedence. For example, where insurers retain claim documentation, this is regulated by:

- *Privacy Act 1988* (and APP 11.2), which describes when data must be destroyed after it's no longer needed for business purposes and the retention period is up to interpretation;
- *Corporations Act 2001*, which prescribes a seven-year retention period for financial records; and
- *Anti-Money Laundering and Counter Terrorism Financing Act 2006*, which also prescribes a seven-year retention period for financial records;

How data is stored and how risk to data is assessed and managed by general insurers is also regulated by the Australian Prudential and Regulation Authority (APRA) Prudential Standards CPS230 and CPS234.

Additionally, insurers must also comply with state-based retention requirements and international arrangements where they operate globally. This can cause conflicting requirements. For example, in NSW, the *Limitation Act 1969* outlines a six-year retention period for court proceedings while overseas requirements can be up to 10 years for retention.

### **Data retention principles**

We understand that the principles outlined in the discussion paper are intended to inform Australian Government agencies in their approach to setting data retention and destruction obligations in statutory instruments. The Insurance Council and its members support Principle 1, which will help achieve some consistency in how agencies determine data retention obligations of industry in regulation. Alignment of retention requirements within the same legislation and avoiding duplication is also supported (Principles 3 and 4).

Regarding Principles 2 and 5, specificity around retention periods and the types of data subject to regulation would reduce ambiguity and support compliance. This would help address some ambiguity experienced with APP 11.2. In setting data retention timeframes, however, the Government should consider how prescribing start and end retention periods would interact with state-based and international obligations. A risk-based approach which considers internal risk-management protocols on storing and handling this data, as well as taking account of valid business use cases, may be a better approach to manage these complex interjurisdictional arrangements.

The Government should consider adding to or supplementing the principles with a commitment to *transparency* around when a risk-based assessment is applied and what this assessment considers.

Thank you for the opportunity to contribute to this consultation process.

If you have any questions related to our submission, please contact Brooke Noorbergen, Senior Strategic Policy Adviser, at [bnoorbergen@insurancecouncil.com.au](mailto:bnoorbergen@insurancecouncil.com.au).

Yours sincerely

**Alexandra Hordern**

General Manager, Regulatory and Consumer Policy