18 September 2026

Privacy Reform Team
Attorney-General's Department
3-5 National Circuit
BARTON ACT 2600

Submission on Privacy Amendment (Personal Data Protection) Bill 2026

Submitted via consultation portal

Dear Privacy Reform Team

Pioneer Credit Limited ("Pioneer") appreciates the opportunity to respond to the Privacy Reform Consultation Paper and the Exposure Draft Privacy Amendment (Personal Data Protection) Bill 2026. Pioneer supports the Government's objectives of modernising Australia's privacy framework while strengthening privacy protection and providing greater certainty for individuals and regulated entities.

Our principal concern is that several provisions, particularly the proposed definition of "trade", may have significant unintended consequences for the lawful sale, assignment and servicing of credit debt and associated contractual right. Personal information is not the product in those transactions. It is the account record required to evidence the debt, preserve the customer's protections and enable the new credit provider to service the account correctly. The distinction should be clear in the legislation.

Pioneer is also concerned that the proposed fair and reasonable test, although sound in principle, is presently too open-ended when applied to lawful, non-voluntary relationships such as the servicing of consumer credit debt. Without clearer statutory boundaries, regulated entities, consumers, the OAIC and external dispute resolution bodies may reach inconsistent outcomes after commencement. That uncertainty would not support either stronger privacy protection or better customer outcomes.

Pioneer's submission is supportive overall. We ask that the legislation provide precise exclusions and safeguards so the reforms prevent inappropriate commercialisation of personal information without disrupting the transfer of lawful consumer credit debt, the continuity of hardship and vulnerability protections, or the operation of established credit reporting and dispute resolution frameworks.

For further information please contact Catarina Le Guimaraes, Head of Risk & Compliance, at cguimaraes@pioneercredit.com.au or on 0428 488 550.

Executive summary

Issue	Pioneer's recommendation
Trading personal information	Exclude disclosures reasonably necessary or incidental to the lawful sale, assignment, transfer, financing, servicing or administration of a credit debt or receivable where personal information is not itself the substantial object of the transaction.
Fair and reasonable handling	Add statutory direction for proportionate handling required to administer lawful obligations, including debt ownership, hardship, vulnerability support, disputes, fraud prevention and credit reporting.
Sensitive information and consent	Ensure hardship, disability, family violence and financial abuse information can follow an account to preserve protections without requiring the customer to repeat traumatic circumstances or provide fresh consent at each transfer.
Collection notices	Allow notice to be delayed, modified or omitted where immediate notice would compromise identity verification, tracing, fraud investigation, legal processes, or the safety and privacy of another person.
Credit reporting	Confirm that Part IIIA and the Privacy Credit Reporting Code prevail to the extent of any inconsistency and are not displaced by a second, general fairness assessment.
Retention and destruction	Clarify that records remain needed where reasonably required for limitation periods, complaints, AFCA, regulatory obligations, audit, remediation and continuity of customer protections.
Data breaches	Retain the 72-hour initial notification, but support staged reporting, material updates and a lead notifier for incidents involving multiple regulated entities.
Implementation	Release a further Exposure Draft with complete consequential and transitional provisions and provide at least 12 months after final legislation and OAIC guidance for implementation.

About Pioneer Credit

Trading personal information

Application to debt purchase and assignment

Proposed section 6FC of the *Exposure Draft Privacy Amendment (Personal Data Protection) Bill 2026* (''Exposure Draft") would treat a disclosure as a trade where an organisation discloses personal information for money or other consideration or for direct marketing, subject to four carve-outs. Proposed APP 4.2 would then prohibit an organisation from trading personal information unless the individual has consented or an exception applies.

Pioneer supports strong controls where personal information is itself bought, sold or commercialised. A debt purchase is materially different. The transaction transfers an existing legal right to payment together with the records necessary to evidence, value, complete and administer that right. Those records commonly include contractual documents, statements, payment and adjustment histories, disputes, complaints, hardship arrangements, vulnerability protections, authority records, credit reporting history, limitation information and relevant communications.

Information must be disclosed at several stages of a portfolio transaction:

- during due diligence and valuation, to assess title, enforceability, balances, disputes, hardship populations, data quality and compliance history;
- at completion and transition, so the purchaser can establish accurate accounts, preserve arrangements and communicate appropriately with customers;
- after completion, for reconciliation, data correction, remediation, audit, repurchase processes, regulatory enquiries and complaints; and
- during any later lawful transfer, securitisation or servicing change.

The ACCC and ASIC Debt collection guideline contemplates the assignment of debts and the need for the assignee to receive enough information to understand an existing dispute and deal with it appropriately. The transfer of ownership should not cause a customer's hardship arrangement, family violence protection, complaint history or prior payments to disappear.

The existing carve-outs do not provide sufficient certainty

None of the four proposed carve-outs reliably covers an ordinary standalone debt portfolio transaction. The customer did not request the purchaser to acquire the credit debt. A portfolio acquisition or forward-flow arrangement may not amount to the acquisition of a business or part of a business. The controller-processor exclusion does not apply because, after completion, Pioneer acts as the Credit Provider and owner of the debt for its own lawful purposes. The fraud exclusion addresses a different category of conduct.

A permitted general situation concerning the establishment, exercise or defence of a legal or equitable claim is also too narrow. Due diligence, assignment, account servicing, hardship support, complaint handling and credit reporting do not each depend on an actual or anticipated legal claim.

Consent and existing contracts

The Exposure Draft requires consent to be voluntary, informed, current, specific and unambiguous. Existing credit contracts commonly authorise assignment and associated disclosure, but many were entered into years before the proposed concept of trading personal information existed. It is uncertain whether those clauses would satisfy every element of the new consent test for each future portfolio transfer.

Fresh consent is not a workable answer. Some customers cannot be contacted, are represented, are deceased or dispute liability. A customer may also decline consent even though the legal assignment remains effective. The result could be a valid transfer of the debt without the supporting records necessary to establish the balance, recognise prior payments or preserve hardship and vulnerability protections. That outcome would be contrary to the consumer protection purpose of the reforms.

Recommended amendment

Pioneer recommends that proposed section 6FC include an additional exclusion in the following or substantially similar terms:

> *A disclosure of personal information is not a trade if the disclosure is reasonably necessary for, or incidental to, the sale, assignment, transfer, novation, securitisation, financing, servicing, administration, collection or enforcement of a debt or receivable, including associated due diligence, valuation, completion, transition, correction, audit, remediation, warranty, indemnity, repurchase and subsequent transfer activities, where personal information is not itself the substantial object of the transaction or arrangement.*

The exclusion should not displace any other requirement of the Privacy Act, Part IIIA or the Privacy Credit Reporting Code. It should simply confirm that records reasonably required to assess, complete and administer a lawful credit debt transaction are not treated as separate data product. The legislation should also confirm that the validity of a lawful assignment does not depend on obtaining consent to trade personal information.

Fair and reasonable handling

Pioneer supports an objective standard that requires personal information to be handled lawfully, proportionately and with proper regard to customer interests. We are concerned, however, that the proposed test would apply an open-ended fairness assessment to every collection, use and disclosure, including routine conduct required to administer an existing legal obligation.

The legislated factors are non-exhaustive and unweighted. In credit debt servicing, several will commonly point in different directions. The relationship is not initiated by the customer, genuine choice may be limited, information may be obtained indirectly and the servicing of an overdue account may have a financial or emotional impact. Those features do not, without more, make proportionate and properly controlled information handling unfair.

The proposed proportionality factor also refers to risks of harm and benefits to the individual or APP entity. It does not expressly recognise benefits to another rights holder, guarantor, other credit providers, consumers generally, or the integrity of the credit and payments system. The legislation should focus on undue or unjustified privacy harm and recognise legitimate third-party and systemic interests.

Pioneer recommends that the Bill or explanatory materials make clear that:

- information handling reasonably necessary and proportionate to administer, service, assign, collect or enforce a lawful obligation is not unfair merely because the individual did not initiate the relationship or cannot opt out of the core servicing of that obligation;
- the assessment should consider unjustified or disproportionate privacy harm, rather than treating any potential adverse effect as weighing against the handling;
- relevant benefits include the continuity of customer protections, accuracy of account servicing, prevention of fraud and financial abuse, compliance with legal obligations and the proper operation of credit and payment systems;
- proportionate handling for hardship, vulnerability assistance, complaints, remediation, credit reporting, fraud prevention and legal claims is recognised as legitimate; and
- material safeguards should appear in legislation or the explanatory memorandum and not depend primarily on guidance or complaint outcomes developed after commencement.

If those matters cannot be addressed with sufficient certainty, Pioneer recommends retaining more defined collection, use and disclosure requirements rather than replacing them with a single broad test.

Sensitive information and continuity of customer protections

Pioneer supports strengthening consent so it is meaningful. This is particularly important for health information and information concerning disability, family violence, financial abuse and other vulnerability. In practice, however, sensitive information is often disclosed during a customer conversation so Pioneer can provide hardship and care assistance, adjust communication arrangements, prevent harm or identify an appropriate support pathway.

The reforms should not create a situation in which the safest privacy outcome is to discard information that is necessary to protect the customer, or require the customer to repeat traumatic circumstances each time ownership or servicing changes. A narrow upfront statement that attempts to bundle all potential sensitive-information handling with call recording consent would not provide the specific, informed consent contemplated by the draft. Equally, requiring fresh consent at every internal hand-off, service-provider appointment or lawful account transfer could undermine continuity of care.

Pioneer recommends clear legislative or OAIC guidance confirming that:

- consent to record or note sensitive information should be obtained at the point the relevant information is disclosed or proposed to be recorded, unless a statutory exception applies;
- where a customer requests hardship or vulnerability assistance, information strictly necessary to provide that assistance may be collected and used consistently with that request;
- sensitive information may be transferred and retained where reasonably necessary to preserve an existing protection, communication preference, hardship arrangement or safety control, subject to access restrictions and data minimisation; and
- customers should not be required to re-disclose sensitive circumstances merely because the account is assigned or a new credit representative or credit provide is appointed.

Notification of collection

Pioneer supports concise and meaningful collection notices. The qualification that an entity need only take reasonable steps in the circumstances is essential for indirect collection, identity verification and location activity.

Immediate notice may sometimes defeat the lawful purpose of collection or itself create a privacy or safety risk. Sending a detailed notice to an unverified postal address, email address or telephone number may disclose the existence of a debt to a family member, employer or unrelated third party. Identifying the source of information may expose a person who assisted with location enquiries or create risk in family violence or financial abuse circumstances. Early notice may also prejudice fraud investigation, identity theft enquiries or legal processes.

Pioneer recommends that APP 5 expressly permit notice to be delayed, modified or, in limited cases, omitted where the entity reasonably believes immediate notice would materially prejudice lawful recovery, identity verification, fraud investigation, legal proceedings, or the safety or privacy of any person. Once the risk has passed, notice should ordinarily be provided at the first verified direct contact or as soon as practicable. The source and circumstances of collection should be capable of being described in general terms where further detail would expose another person or compromise an active matter.

The legislation should also avoid repetitive notices where information moves with a lawful assignment or servicing change and the purposes remain materially the same.

Interaction with credit reporting and dispute resolution

Part IIIA of the Privacy Act and the Privacy Credit Reporting Code 2025 contain a detailed framework for the collection, use, disclosure, correction, retention and security of credit information. The consultation paper notes that not all consequential amendments have been settled. The final interaction between that specific regime and the proposed general APP framework therefore remains uncertain.

Pioneer recommends that the Bill state clearly that conduct expressly required or permitted under Part IIIA or the Credit Reporting Code is not independently prohibited merely because a different conclusion might be reached under the general fair and reasonable test. The specific regime should prevail to the extent of any inconsistency.

The same certainty is needed for correction complaints. Inaccurate, incomplete or insufficiently substantiated information should be corrected promptly. However, a broad APP fairness allegation should not become an alternative mechanism to remove accurate credit information outside the correction rules established by Part IIIA and the Credit Reporting Code.

The proposed requirement for individuals generally to raise privacy concerns with the APP entity before approaching the OAIC is supported. A response already provided through an applicable internal dispute resolution process, including RG 271, the Credit Reporting Code or another mandatory framework, should satisfy that requirement and should not need to be duplicated. The legislation should also minimise overlapping OAIC and AFCA proceedings about substantially the same conduct.

Direct marketing

Pioneer supports simple and effective opt-out arrangements for genuine direct marketing. The legislation or explanatory materials should confirm that ordinary account servicing and customer-support communications are not direct marketing merely because personal information is used to address the communication to the correct person. Payment reminders, statutory notices, account statements, repayment proposals, hardship information, credit reporting notices, complaint communications and information about an existing obligation should remain outside the direct marketing regime unless their substance is genuinely promotional.

Security retention and destruction

Pioneer supports stronger data minimisation and the destruction or de-identification of information that is genuinely no longer needed. The proposed APP 11 obligation should, however, recognise the legitimate reasons a debt owner may need to retain account information after active collection has ceased or an account has been closed.

Relevant purposes include limitation periods and anticipated litigation, internal dispute resolution, AFCA and OAIC complaints, proof of assignment, notices, payments and arrangements, hardship and vulnerability history, credit reporting and correction obligations, remediation, fraud prevention and identity verification, regulatory audit, seller warranties and records needed to explain a decision made earlier in the account lifecycle.

Sensitive information may also remain necessary to ensure an existing protection continues. Destroying a family violence flag, authorised representative record or communication restriction immediately after an account appears inactive may expose the customer to avoidable harm if the account is later reopened, corrected or reviewed.

Pioneer recommends that APP 11 confirm information remains needed where it is reasonably required for these purposes, without requiring repeated consent merely to retain an existing protection.

Notifiable data breaches

Pioneer supports prompt action to contain data breaches, reduce harm and notify affected individuals when verified information enables them to take protective action. It is also important that the proposed 72-hour period begins when the entity has reasonable grounds to believe an eligible data breach has occurred, rather than when an incident is merely suspected.

During the first days of a serious incident, the same technical, privacy, legal, operational and executive personnel may be containing access, securing systems and accounts, preserving evidence, identifying affected data and coordinating with clients, insurers, advisers and regulators. The notification framework should not divert those personnel from measures that directly reduce harm.

Pioneer recommends a staged approach under which the initial OAIC notice within 72 hours identifies the entity, confirms that it has reasonable grounds to believe an eligible breach occurred, provides a contact point and includes verified information then available. Remaining prescribed information should follow as soon as practicable after a reasonable opportunity to investigate. Updates to individuals should be required where a change is material to the risk or the protective action recommended, rather than for every amendment to the regulatory statement.

The framework should also address incidents involving multiple regulated entities. A creditor, debt purchaser, collection agency, credit reporting body and technology provider should not each be required to issue overlapping or inconsistent notices about the same event. One entity should be able to act as lead notifier, supported by clear rules for information sharing, allocation of responsibility and attribution of a processor's knowledge to the controller.

Controllers and processors

Pioneer supports clearer allocation of responsibility between controllers and processors. Pioneer will ordinarily act as controller when servicing credit debt it owns, while technology, communications, field, legal and other service providers may act as processors for particular functions. Some relationships involve mixed roles, and an entity's status should turn on the purpose and authority for the particular information handling rather than its general business description.

Further clarity is required for subprocessors, service providers performing independent legal or professional functions, mixed controller-processor activities, and arrangements involving an entity that is exempt from the Privacy Act. Existing contracts will require time to be reviewed and converted, where appropriate, into documented instructions that accurately reflect operational responsibilities without prescribing technical detail that properly sits with the processor.

Transition consultation and commencement

The Exposure Draft does not yet contain complete consequential, application, transitional or commencement provisions. Those provisions are material to existing contracts and assignment clauses, information acquired before commencement, Part IIIA, the Credit Reporting Code, APP codes and controller-processor arrangements.

Pioneer recommends that a further Exposure Draft, explanatory memorandum and proposed consequential and transitional provisions be released before the Bill is introduced. Targeted engagement should include debt purchasers, originating creditors, contingent collection agencies, credit reporting bodies, consumer representatives, AFCA and privacy specialists.

A minimum implementation period of 12 months should commence only after the legislation is final and practical OAIC guidance is available. Pioneer and other regulated entities will need to review portfolio sale agreements, privacy notices, collection notices, consent processes, processor instructions, data mapping, retention rules, incident response plans, complaint processes, system configuration and staff training.

The treatment of credit debt transactions must be resolved in the legislation itself. Guidance cannot cure the issue if the Act characterises the transfer as a prohibited trade. Transitional provisions should also protect information and arrangements lawfully collected, disclosed or entered into before commencement, while requiring prospective compliance once implementation changes can reasonably be made.

Recommendations

1. **Debt and receivables exclusion.** Amend proposed section 6FC to exclude disclosures reasonably necessary or incidental to the sale, assignment, transfer, financing, servicing, administration, collection or enforcement of a debt or receivable where personal information is not itself the substantial object of the transaction.

2. **Assignment certainty.** Confirm that the validity of a lawful assignment does not depend on consent to trade personal information and that supporting records reasonably required to assess, complete and administer the assignment may be transferred.

3. **Fair and reasonable boundaries.** Provide statutory protection for lawful and proportionate information handling required for credit debt account servicing, hardship and vulnerability support, complaints, credit reporting, fraud prevention and legal rights.

4. **Proportionality.** Refer to unjustified or disproportionate privacy harm and recognise relevant benefits to third parties and the proper operation of the credit and payments system.

5. **Sensitive information continuity.** Ensure sensitive information reasonably necessary to preserve customer protections can follow the account without repeated disclosure or fresh consent at every transfer.

6. **Collection notice safeguards.** Permit notices to be delayed, modified or omitted where immediate notice would prejudice lawful activity or create a privacy or safety risk, with notice provided once that risk has passed.

7. **Credit reporting priority.** Confirm that Part IIIA and the Credit Reporting Code prevail to the extent of any inconsistency with the general APP framework.

8. **Account communications.** Confirm that ordinary credit debt account servicing, hardship, fraud, credit reporting and complaint communications are not direct marketing unless genuinely promotional.

9. **Lawful retention.** Clarify that information remains needed where reasonably required for disputes, AFCA, legal limitation periods, audit, credit reporting, remediation, fraud prevention, assignment obligations and continuity of customer protections.

10. **Staged breach reporting.** Allow an initial 72-hour notice containing verified information, material subsequent updates and a lead notifier for incidents involving multiple regulated entities.

11. **Controller and processor guidance.** Clarify mixed roles, subprocessors, independent professional providers, exempt entities and the operation of documented instructions.

12. **Further consultation and implementation.** Release a second complete Exposure Draft and provide at least 12 months for implementation after final legislation and OAIC guidance are available.

Conclusion

Pioneer supports the Government's objective of preventing personal information from being commercialised without appropriate protection. The transfer of a credit debt together with the records reasonably required to assess, complete and service that transaction is materially different conduct and should be treated as such.

The present drafting creates a real risk that a lawful assignment may remain effective while the supporting information transfer is treated as a trade requiring consent that existing contracts cannot reliably satisfy. That would not extinguish the debtor's obligation. It would instead make it harder for the new credit provider to maintain accurate balances, recognise prior payments, preserve hardship and family violence protections, investigate disputes and meet regulatory responsibilities.

A clear, confined statutory exclusion would preserve the intended protection against data brokerage while avoiding unintended consequences for a legally transferable asset class. The fair and reasonable test likewise requires clearer boundaries so lawful and proportionate credit debt account servicing does not depend on an open-ended assessment developed principally through guidance and complaint outcomes.

Pioneer would welcome the opportunity to engage further with the Department as the provisions and consequential amendments are developed.

Yours sincerely,

Signed by:
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Catarina Le Guimaraes
Head of Risk and Compliance

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Sue Symmons
Company Secretary and Privacy Officer

Key materials considered

- Attorney-General's Department, Privacy Reform Consultation Paper 2026
- Exposure Draft Privacy Amendment (Personal Data Protection) Bill 2026
- Privacy Act 1988
- ACCC and ASIC, Debt collection guideline for collectors and creditors
- OAIC, Privacy Credit Reporting Code 2025
- ASIC Regulatory Guide 271 Internal dispute resolution