



23 March 2018

Mr Daniel McAuliffe
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Dear Mr McAuliffe

Review into Open Banking in Australia – Comments on Final Report

Origin Energy (Origin) appreciates the opportunity to provide comments on the recommendations contained within the Open Banking Final Report. The Report specifically addresses the Government's policy intent to introduce a Consumer Data Right in the Banking Sector. The Consumer Data Right will provide consumers with rights to direct that a business transfer data on the consumer to a third party, in a usable machine-readable form. The announcement in relation to the Consumer Data Right prioritised banking followed by other sectors such as energy and telecommunication.

It is noted that the Open Banking Review taskforce was not asked to develop a framework for other sectors such as energy and telecommunication, however other industries should be considered in the development of an optimal data sharing model. Origin thus provides comments on the Final Report on the basis that the recommendations could also be extended to the energy sector. Origin is one of Australia's leading integrated energy companies with over 4.3 million electricity and natural gas customer accounts.

Origin considers that the major roadblock for third parties to access data in the energy industry is primarily in relation to the verification of customer's consent and the authorisation process that third parties have obtained consent to request the relevant data. This issue arises as each energy business applies its own legal interpretation of Privacy Laws in this respect. Origin believes the Open Banking Review recommendations may assist the energy industry with overcoming the hurdles in this respect, especially in terms of an accreditation framework.

Origin believes data scope and transmission issues are secondary issues for the energy industry. The energy industry already has AEMO Procedures that establish the minimum requirements for the manner and form in which data is to be provided by retailers and distributors to customers (or their third party)¹.

If it is intended that the framework be extended to energy, there needs to be collaborative discussions between industry and all Government Departments to ensure a streamlined and efficient framework is developed not only for the banking sector but also other sectors such as energy. Origin does not support implementing an interim solution in the electricity sector with plans to revise the framework once the Open Banking framework is implemented. This would be inefficient and lead to industry and consumer confusion.

¹ AEMO, Metering Data Provision Procedures – 1 March 2016

Origin has provided some specific comments on issues raised in the Final Report that are relevant to the energy sector below.

Other Data Sharing Reviews

There have been numerous Government and Industry Reviews into data availability with specific emphasis on increasing third party and consumer access to data. This includes the overarching Productivity Commission (PC) Inquiry into “Data Availability and Use” as well as several energy specific reviews including the Finkel Review, Australian Competition and Consumer Commission (ACCC) Retail Electricity Pricing Inquiry and Australian Energy Market Commission (AEMC) review into delivering affordability.

The PC recommendations coupled with the energy industry specific reviews resulted in the Government releasing Houston Kemp’s *“Facilitating access to Consumers’ Electricity Data”* Draft Report on 26 February 2018². This Draft Report covers many of the framework design issues raised in the Open Banking Review.

Given the recent release of Houston Kemp’s electricity data sharing framework, Origin seeks clarification from the Government as to their intentions on extending the Open Banking recommendations to the energy sector. While we believe that there are many elements of the Open Banking Review that could be transferrable to the energy industry, it is not clear how the recommendations of the two reports will interact.

Regulatory Framework

Origin supports the Open Banking Review recommendation that there needs to be a clear legislative framework that sets out the rights and responsibilities of entities, third parties and consumers. Careful consideration needs to be given however to how this detailed legislative framework would then apply to other sectors such as energy.

Origin believes that the legislation underpinning the Consumer Data Right should only include the high level principles and objectives that are intended to be achieved through a data sharing scheme while details of the operational aspects of the scheme be left to more flexible instruments such as rules and standards. Rules and standards could set out the guiding principles that could assist in the development of standard and the standards set out the technical method of requesting, formatting and receiving data. The framework should not be prescriptive that it precludes innovation, technological development or other parties developing data sharing initiatives.

Origin supports the Open Banking Review recommendation that a new Commonwealth Data Sharing and Release Act (as proposed by the Productivity Commission) is not required. We believe that the introduction of such an Act may duplicate key protections already in the *Privacy Act 1988* and in other legislative instruments. Duplication will only cause ambiguities and uncertainties in the market.

Accreditation

A standardised accreditation process will reduce the cost to potential data recipients of obtaining data and improve the timeliness of data being provided to customers and third parties. As identified in the Final Report, there will be a need to ensure all privacy and efficiency issues are sufficiently covered in developing such a framework.

² HoustonKemp, *Facilitating access to Consumer Electricity Data* – Draft Report, February 2018.

Origin supports a Public Register of parties that have been accredited being maintained. This will provide transparency to the market on the parties that are seeking to access data.

Third parties should not be granted accreditation for an open period. Third parties should be required to demonstrate their credentials on a regular basis to ensure that data is being accessed and utilised as intended. Random audits should also be undertaken to ensure that appropriate procedures and consents are being obtained prior to accessing data.

Origin agrees with the Open Banking Taskforce that it will be imperative that the accreditation process is not onerous, costly or provide barriers to entry for third parties.

Customer Authorisation

Origin believes that a customer's authorisation to a third party to access data should be for a set period of time (ie 6 months) and after that time, the customer would need to resubmit any required documentation to give the authorisation. This will ensure details remain current and relevant to the application. The authorisation, when developed, should allow for customers to revoke or change their authorisation at any time.

An industry solution will need to be developed to the situation whereby an account has joint authorisation. It is recommended that the authorisation to access data should reflect that of the set up of the account. The energy industry has multiple types of account set up arrangements which range from single account names to joint accounts with primary contacts. Each of these account set up arrangements will need to be worked through to determine an optimal framework for energy.

Data Scope

Data scope will need to be determined on an industry by industry basis. In energy, Origin supports data scope being consistent with the scope and format specified by AEMO in their Metering Data Provision Procedure. These Procedures set out the agreed data set, format and processes for the exchange of data between an entity and third party.

We further believe that the obligation to provide data should only be extended to the information that is in digital form and not include any additional information collated as part of a verification process or value add data that an entity has developed about a customer. There are strong incentives on companies to collect data as a means of understanding their business to offer products and services that consumers require and value. Requiring data, such as this to be shared, would take away from product development and innovation.

Customer Scope

The Open Banking Review recommends that the Data Sharing framework should apply to all customers. Origin cannot provide specific comments on this issue for the banking sector.

However, Origin believes the data sharing framework in the electricity sector should only apply to small customers (residential and small business customers). This is given the material differences between the energy use of small customers, who are generally restricted to a single premise (e.g a residential home), and large customers that may have a number of premises with individual consumption data.

For large customers, there are existing processes whereby customers have access to real time energy monitoring capabilities (ie via web portals, hand held devices, commercial energy displays) or they can request their data directly to a retailer or via a third party when seeking an energy contract from the

market. These options are diverse and adequately provide a means for large customers to obtain information regarding their energy consumption

Costs Recovery for Data Requests

Origin disagrees with the Open Banking Recommendation that data should be provided 'free of charge' to third parties.³ There are costs associated with developing systems, interfaces and collating and formatting data in a manner that can be provided to customers and third parties. The raw data that is downloaded often needs formatting into a user friendly format that can be used by customers. To help manage administrative resources to process customer request, we would encourage the Government to include a provision whereby the relevant party can apply a "reasonable charge" for providing the data. The current energy regulatory framework allows for the reasonable charge for customer requests for accessing data and Origin believes that this provision should not be removed from any regulatory framework.

Further, in the case of third parties or agents requesting a large volume of information on behalf of their customers, the costs for providing data could quickly escalate and become more burdensome on entities. Origin supports the underlying principle that customers should be able to access their information, however, where data requests are being sought, there is likely to be commercial motivation for this and we consider that a "reasonable charge" should apply in such circumstances.

Origin suggests that a regulatory body (ie such as AER or ACCC) could undertake a monitoring role to ensure costs are not imposed as a disincentive for customers to access data.

Data Transfer Mechanism

Origin cannot comment on the data transfer mechanism proposals for the banking sector, however we suggest that the electricity industry maintains the same responsible parties for data delivery as per the existing AEMO Metering Data Provision Procedures (AEMO Procedures), being retailers and distributors. No other parties in the electricity industry hold all the data relevant to a customer account. Origin believes that this decentralised model (with improvements to the consent and verification processes) with existing distribution and retailers will provide the most efficient outcomes for the industry.

A review of the differing industry frameworks highlights that one solution to data transfers cannot be developed across industries and the framework should not mandate only one way for data to be shared. The framework needs to be sufficient flexible to allow for competitive approaches and the development of innovative and value add products.

Implementation

It is important that market participants are given a reasonable time to review, adjust and upgrade their systems (if required) to meet the new data sharing framework. Origin does not believe that the implementation timing can be decided until the Rules and Standards have been developed and businesses are given the opportunity to assess the impact of these changes on their business. Origin strongly supports market participants being given the opportunity to be actively involved in the development of any Rules and Standards that are relevant to their industry.

Closing

³ Open Banking Taskforce, *Review into Open Banking – Final Report*, December 2017, p46.

Origin supports the development of a data sharing framework that encourages innovation, is efficient, fair and provides customers and third parties with the relevant data that they require to make more informed choices. While we believe that the Open Banking Review recommendations provide a solid foundation for the development of a data sharing framework, other industries, such as energy, need to be actively engaged in framework discussions so that applicability of the framework to their sector can be assessed.

Should you have any questions or wish to discuss this information further, please contact Caroline Brumby on (07) 8665 7155.

Yours sincerely

A handwritten signature in blue ink, appearing to read "K. Robertson".

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