

21 May 2020

Mr Scott Farrell, Chair
Secretariat
Inquiry into Future Directions for the Consumer Data Right
The Treasury
Langton Crescent
Parkes, ACT 2600



By email: data@treasury.gov.au

Dear Mr Farrell,

Submission to Inquiry into Future Directions for the Consumer Data Right

The Public Interest Advocacy Centre (PIAC) is an independent, non-profit legal centre based in New South Wales. Established in 1982, PIAC tackles systemic issues that have a significant impact upon people who are marginalised and facing disadvantage. We ensure basic rights are enjoyed across the community through litigation, public policy development, communication and training. The Energy + Water Consumers' Advocacy Program represents the interests of low-income and other residential consumers, developing policy and advocating in energy and water markets.

PIAC has been involved in the application of the Consumer Data Right (CDR) to energy data and welcomes the opportunity to respond to this Inquiry.

Cross-sectoral data access

The CDR envisages a scheme which would apply across multiple sectors of the Australian economy. Under this proposed model, an accredited third party could access consumer data from multiple sources. As the issues paper states:

Though the potential benefits of consumer directed data portability are great, there are also potential risks to privacy and security from the sharing of personal data, and these should be kept in mind in further developing the Consumer Data Right.¹

Aggregating and correlating multiple data streams can reveal more of a customer's preferences than any one data stream or multiple data streams taken separately, and the value of the whole may be greater than the sum of its parts.

This could benefit consumers by finding more holistic solutions and better offers. However, it can also lead to consumer detriment if all of this value is retained by a third-party rather than a fair share being passed through to consumers.

It is essential that in accrediting third parties, expanding the range of datasets subject to the CDR and setting obligations for consumer consent that relevant oversight and regulatory bodies remain cognizant of the multiplicative effect that having multiple data streams on a customer can provide. This is particularly important if a third party may apply for accreditation in multiple sectors one at a time or through mergers and acquisitions.

¹ Federal Treasury, *Inquiry into the Future Direction of the Consumer Data Right* – Issues Paper, March 2020, 3.

Continued engagement

PIAC would welcome the opportunity to meet with Treasury and other stakeholders to discuss these issues in more depth.

Yours sincerely,

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