



Australian Government



Australian
**Small Business and
Family Enterprise**
Ombudsman

24 October 2022

Future Directions Unit
Consumer Data and Digital Division
Treasury
Langton Cres
Parkes ACT 2600

via email: data@treasury.gov.au

Dear Sir/Madam

Consumer Data Right (CDR) – Exposure draft legislation to enable action initiation

We welcome the proposal to enable action initiation within the CDR and acknowledge the value it contributes to expanding CDR functionality. However, we recommend the implementation of action initiation to not commence with payment action initiation (PAI). The higher security and privacy risks associated with PAI requires considerable collaboration with data holders prior to designation.

The successful implementation and uptake of action initiation within CDR fundamentally depends on consumer and small business system participation. Currently, there are several deterrents to small business participation in the CDR system, as such we provide the following comments.

- 1. Consideration should be given to targeted financial incentives, technical support, and system configurations to produce net gains that counterbalance the proportionately higher upfront costs experienced by small business.** Small businesses have limited resources and adjust slower to system changes relative to larger entities. Low participation rates reflect hindered system maturity and barriers to the uptake of further system functionalities.
- 2. We recommend rationalisation of the rules and regulatory framework between key regulatory bodies to produce streamlined and simple guidance to support small business understanding and compliance.** Small businesses often lack the technical expertise to understand their rights and obligations under the existing CDR policy guidance and regulations. This is due to the highly specialised language used, overlapping governance and complex technical frameworks.
- 3. We suggest the implementation of a tailored privacy framework for small business, with a voluntary scheme to mitigate high risk small businesses and enable accreditation as a voluntary accredited action initiator.** The absence of a suitable privacy framework for small businesses limits their participation in the CDR system and more broadly the future of Australia's digital economy. With most businesses in Australia turning over less than \$3 million dollars and hence exempt from the Privacy Act 1988, consideration should be given to implementing a 'right-sized' privacy framework for small business data holders.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Dianrong (Sophie) Li on [REDACTED] or at [REDACTED]

Yours sincerely

The Hon. Bruce Billson
Australian Small Business and Family Enterprise Ombudsman

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