



## CONSUMER DATA RIGHT RULES: CONSENT AMENDMENTS AND OPERATIONAL ENHANCEMENTS

### SUMMARY OF CONSULTATION PROCESS OUTCOMES

On 9 August 2024, Treasury published an exposure draft of the proposed consent and operational enhancement amendments to the Consumer Data Right (CDR) rules. Documents that were released to inform and assist stakeholders included a draft explanatory statement, privacy impact assessment, and consultation paper. The public consultation closed on 9 September 2024.

Treasury hosted a virtual stakeholder forum on 23 August 2024 and held bilateral meetings with government and industry stakeholders.

The Government received 42 submissions in response to the public consultation, consisting of 33 public and 9 confidential submissions. Submissions can be viewed on the Treasury website at [www.treasury.gov.au](http://www.treasury.gov.au).

### SUMMARY OF FEEDBACK

Broadly, stakeholders were supportive of the proposed rules package and recognised that the changes would make it easier for consumers to use the CDR and support key use cases.

The Government has considered stakeholder feedback and, as a result, has made some further changes which are reflected in the final rules. These changes are outlined below.

#### Consent amendments

Stakeholders broadly supported the proposed consent amendments and, as such, these have been largely retained.

#### Deletion by default

Stakeholders were divided on the proposal to require data recipients to delete redundant data by default. Some indicated it would strengthen the protection of redundant consumer data. However, most stakeholders raised concerns that the deletion of redundant data by default would negatively affect business models, including data recipients' ability to innovate and undertake product development. This acts as a disincentive to use CDR compared to other data sharing arrangements. Submissions also noted the change is out of step with global privacy laws, including the 2023 Privacy Act Review.

In response to this feedback, this measure has not been included in the final rules package.

## **Operational enhancements**

### Nominated representatives

While accredited data recipients emphasised the importance of improving the process for businesses to unlock the benefit of CDR, many suggested the proposed amendments would not materially improve outcomes for business consumers in their proposed form. Further, several data holders did not support this proposal based on the potential implementation costs, misalignment with existing business practices and the limited uptake to date of the CDR by their business customers.

In response to this feedback, the Government has asked Treasury to explore potential alternative approaches that would support business consumer use of the CDR.

### Exempting energy trial products from the CDR

Electricity retailers welcomed an exemption for energy trial products and acknowledged it may help them to trial innovative electricity plans to support the energy transition. However, retailers recommended the scope of this measure should be broadened to exempt trials running for longer than 12 months in order to have a meaningful impact and align with minimum contract length rules. Retailers also submitted that trials with more than 1,000 customers should be exempt, particularly to support trials of innovative plans which aggregate large volumes of consumers energy resources, such as solar and battery systems, to stabilise the grid and reduce consumer bills.

In response to this feedback, the customer threshold was increased from 1,000 to 2,000 customers, and the maximum trial length from 12 to 24 months.

### Expanding the circumstances in which accredited banks can hold CDR data as a data holder

Stakeholders generally supported a reduction in the complexity of holding CDR data, noting the change would reduce compliance burdens and support priority use cases like lending. However, concerns were raised that this measure could benefit accredited banks at the expense of non-bank data recipients. Some stakeholders also submitted the proposed notification obligations require accredited banks to include a technically complex explanation into the consent flow, which is unlikely to assist an ordinary consumer's understanding.

In response to this feedback, the notification obligations were simplified. Treasury will consider whether it is appropriate to extend these changes to other data holders who are also accredited data recipients.

## **Questions**

Questions on the consultation process for this measure can be forwarded to [CDRRules@treasury.gov.au](mailto:CDRRules@treasury.gov.au).

Thank you to all participants in the consultation process.