



INTERNET ASSOCIATION OF AUSTRALIA
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To: Department of Treasury

By email: data@treasury.gov.au

INTRODUCTION

Thank you for the opportunity to express the Internet Association of Australia (IAA) perspective on the Consumer Data Rights Rules and Standards Design Paper for the Telecommunications Sector. IAA have been actively involved in this process of expanding the CDR into the telco sector, having responded to both the Sectoral Assessment and Draft Designation. We appreciate the continued opportunity to consult on the development of the rules and standards which would apply to the sector following the sector's formal designation in January.

Many of IAA's members are small to medium sized internet service providers (ISPs) who are also NBN retail service providers (RSPs). Our response will largely be focusing on the issues likely to affect the smaller entities we represent, as well as the public good of the Internet.

IAA recognises the government's objectives in bolstering Australia's economy and improving transparency and competition in the telco sector, as well providing consumers with greater control over their data. However, as stated in our previous submissions, consumers are able to access a wide array of data in the sector already, and thus the CDR is not necessary to achieve these objectives. Thus, we are still concerned that the costs to industry in this process may be disproportionate to the proposed benefits, and that benefits may not actually be realised. To this effect, we are committed to the development of rules and standards which will ensure against overly burdensome obligations for industry, and safeguards to ensure the security and resilience of data sharing systems. Moreover, smaller entities who will be particularly adversely affected by the costs of the CDR should be exempt from the rules.

DATA SHARING IN THE SECTOR

DE MINIMIS THRESHOLD

In general, IAA supports the introduction of a limitation threshold exempting smaller entities from the CDR rules. However, there are some concerns that must be noted in how this implemented.

Firstly, we believe that the minimum threshold should be based on the number of customers of a carrier or carriage service provider has. Please note that we refer to the definition of eligible

carriage service providers under s 127 of the *Telecommunications (Consumer Protection and Service Standards) Act 1999* to clarify this includes residential and small business customers.

We believe this is a more accurate and meaningful reflection of the size of an entity in determining their mandatory participation in the CDR. However, we do request that this limitation be harmonised as much as possible, considering other minimum thresholds set by other legislation such as the minimum thresholds set for record keeping rules for NBN as well as under the *Telecommunications (Consumer Complaints) Record-Keeping Rules*. We note that smaller businesses often lack the resources and ability to keep track of the various legislation that applies to the sector and the complex rules which set different standards under each instrument.

In addition, we raise concerns with the possible unintended adverse effects such a de minimis threshold could pose for smaller entities. While one of the objectives of the CDR is to encourage competition in the sector through transparency, this limitation could have a negative effect. If smaller entities do not opt-in to participate in the CDR, this could result in the excluded entities being confused by consumers as lacking accreditation as designated data holders, thereby limiting their chances of becoming a contending player in the industry.

IAA still supports a voluntary system for participation with incentives for the smaller entities to participate. This could include greater support and guidance in terms of subsidies, greater funding, or education and awareness programs from the government to assist smaller entities in complying with the CDR Rules and Standards.

OTHER ISSUES

STAGED IMPLEMENTATION

IAA supports a phased approach to the application of CDR obligations for the sector and believe this should be supplemented by additional guidance and support material appropriate to each stage. We request further implementation considerations to be provided regarding the timeframe for when these obligations would come into effect following the drafting and subsequent approval of the rules and standards. We note that the CDR is a big endeavour for entities and that a great amount time and resource will be required to prepare their systems for compliance.

CONCLUSION

Once again, IAA appreciates the opportunity to contribute to the Consumer Data Rights Rules and Standards Design Paper for the Telecommunications Sector. We look forward to continue cooperating with the government, industry and other stakeholders in the development of an effective, measured and reasonable CDR scheme that is appropriate for the telecommunications sector.

ABOUT THE INTERNET ASSOCIATION OF AUSTRALIA

The Internet Association of Australia (IAA) is a member-based association representing the Internet community. Founded in 1995, as the Western Australian Internet Association (WAIA), the Association changed its name in early 2016 to better reflect our national membership and growth.

Our members comprise industry professionals, corporations and affiliate organisations. IAA provides a range of services and resources for members and supports the development of the Internet industry both within Australia and internationally. Providing technical services as well as social and professional development events, IAA aims to provide services and resources that our members need.

IX-Australia is a service provided by the Internet Association of Australia to Corporate and Affiliate members. It is the longest running carrier neutral Internet Exchange in Australia. Spanning six states and territories, IAA operates over 30 points of presence and operates the New Zealand Internet Exchange on behalf of NZIX Inc in New Zealand.

IAA is also a licenced telecommunications carrier, and operates on a not-for-profit basis.

Yours faithfully,

Narelle Clark
Chief Executive Officer
Internet Association of Australia