



INTERNET ASSOCIATION OF AUSTRALIA
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To: The Department of Treasury

By email: CDRstatutoryreview@treasury.gov.au

Thank you for the opportunity to express the Internet Association of Australia (IAA) perspective on the Statutory Review of the Consumer Data Right. IAA has been actively involved in the expansion of the CDR into the telecommunications sector, having contributed to the Sectoral Assessment, Draft Designation and the recent Rules and Standards Design Paper for the telecommunications sector. We welcome the Statutory Review of the CDR and appreciate this opportunity to consult on the review of the broader legislative framework which establishes the CDR.

As expressed in our previous submissions concerning the CDR, IAA and our members recognise and acknowledge the work of the government in their efforts to reform Australia to become a leading digital economy and society. We support the purported objective of the CDR to empower consumers, and believe that consumers have a right to be informed and have access to their data. However, we raise our concerns that the CDR framework could be better managed and implemented according to the specific needs and nature of a sector, to ensure that the benefits for consumers and the industry are maximised under the scheme.

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 focus on the issues likely to affect the smaller entities we represent, as well as for the public good of the internet.

RESPONSE TO QUESTIONS

Question 3: Does the current operation of the legislative settings enable the development of CDR-powered products and services to benefit customers?

IAA believes that in general, the development of CDR powered products and services can benefit consumers through the provision of comparable data. However, we note that as it pertains to the telecommunications sector, comparable data is already provided by telecommunications providers to consumers. As such, we believe that the implementation of the Application Programming Interfaces (APIs) as per the CDR regime may not be necessary or optimal in all sectors. Please see below our response to Question Four for further details.

While we recognise that CDR products and services could result in innovation, as well as provide opportunities for cross-sectoral products and services, we believe that the government should undertake an in-depth study as to whether this has in fact been the case for the banking and energy sectors where the CDR regime has been implemented and commenced. We further note

that this should be undertaken in conjunction with the Regulatory Impact Statement for any prospective sectors, prior to the designation of a new sector.

Question 4: Could the CDR legislative framework be revised to facilitate direct to consumer data sharing opportunities and address potential risks?

As has been raised by the telecommunications industry throughout the designation process, we reiterate that standardised comparable data is already provided to consumers by providers in the telecommunications sector. As such, we believe the CDR legislative framework should consider the existing practices and mechanisms within industries which already provide comparable data to customers.

IAA encourages the consideration of alternative methods that support competition and provide consumers with the opportunity to consider their options while also taking advantage of the already existing practices within the sector. We extend our support to the proposal suggested by Communications Alliance in their previous submissions concerning the designation of the telecommunications sector for a mobile phone application which could be developed to link to the user's telecommunications product-set and usage data as opposed to the API which the CDR scheme entails. The app could generate data outputs in both human-readable and machine-readable formats which the user could analyse and pass on to competitor telecommunications providers to provide competitive quotes for comparable services based on the data.

We believe that alternative methods such as this which takes into account the sector's existing practices would ensure simplicity and consistency, as well as presenting reduced costs and burdens for industry. As it is likely that costs borne by providers will ultimately be passed down to consumers, we believe that cost efficient alternatives will also be in the best interest of consumers.

Furthermore, providing data directly to the consumer will adhere to the consumer-focused objectives of the CDR regime by respecting their right to their own data.

Question 5: Are further legislative changes required to support the policy aims of CDR and the delivery of its functions?

IAA reiterates the recommendations and requests made by industry throughout the telecommunications sector's designation and rules and standards drafting process. In particular, we believe that the government should commit to preparing an in-depth formal Regulation Impact Statement (RIS), and that the Act should require the RIS to include the net-benefits for the sector to be quantified prior to the designation of a new sector.

CONCLUSION

Once again, IAA appreciates the opportunity to contribute to the Statutory Review of the Consumer Data Right. We look forward to continued cooperation with government, industry, and stakeholders in other sectors in the development of a CDR legislative framework that is effective, measured, and appropriate to help build Australia's digital economy.

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