



24 October 2022

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

Email: data@treasury.gov.au

Dear Sir/Madam

RE: Consumer Data Right – exposure draft legislation to enable action initiation

Communications Alliance welcomes the opportunity to comment on the exposure draft legislation to enable action initiation under the Consumer Data Right (CDR).

The draft legislation amends the *Competition and Consumer Act 2010* and introduces 'action initiation' reforms, which would enable CDR consumers to direct accredited persons to send instructions to initiate actions on their behalf.

These actions could include things such as making a payment, opening and closing an account, switching providers and updating personal details (such as an address) across providers. The purpose is to expand the CDR from a data sharing scheme to a scheme that allows consumers to act on information they receive.

The proposed legislation for enabling action initiation in the CDR does not identify action types; rather, the rules and standards will be tailored for the different action types. Given the detail will be developed in the rules and the standards, Communications Alliance will engage more fully at that stage.

The purpose of this submission is to raise some high-level concerns:

1. The number of CDR consultations

We note the recently released Statutory Review into the CDR, and in particular, the finding that in developing the CDR, multiple agencies are seeking regular feedback from a wide range of stakeholders. CDR participants have found it difficult to engage with these successive consultation processes, and that without better coordination or consideration of ways to lessen the consultation load, there may be adverse competition outcomes that are contrary to the policy objectives of the CDR.

We concur with this finding and note that this is one reason why we choose to only comment at a later stage.

2. The questionable benefit of action initiation for telecommunications consumers

Unlike some other industry sectors, the telecommunications industry already provides a substantial amount of information to customers. The Critical Information Summary (CIS) is provided free of

charge to allow consumers to compare offers provided by each provider which best suit their needs. The CIS includes a description of the services, the minimum and maximum monthly cost, the minimum term of the offer, whether the offer depends on a bundling arrangement, applicable early termination fees, information about how to access internal dispute resolution processes and contact details for the Telecommunications Industry Ombudsman.

The telecommunications industry also already has well-established processes in place to make it easy for customers to switch between providers in a timely manner.

The Local Number Portability Code¹ and Mobile Number Portability Code² set out the operational process and timeframes for transferring landline and mobile services. The Industry Guideline Customer Authorisation³ sets out the minimum requirements for information a gaining provider should collect from a consumer and to demonstrate the consumer has authorised a transfer.

3. The need to ensure security in relation to CDR data

The telecommunications industry has strong identification checks in place to protect customers from fraud and identity theft. This includes multi-factor identity authentication (MFA) processes for high-risk transactions. These measures are to ensure the person requesting the transaction is the customer, or the customer's authorised representative.

The action initiation reforms will potentially allow consumers to direct an accredited person to make a payment, open or close an account, switch providers and update personal details. We have very serious concerns that the action initiation reforms proposed under CDR will override the existing security obligations already in place in the telecommunications sector, opening the doorway to fraud and putting customers at risk.

Serious consideration must be given as to how this data will be managed and protected, particularly for vulnerable consumers, so that we are not legitimising the harvesting of information.

Additionally, the recent statutory review of the CDR⁴ noted that "As the CDR matures and expands across the economy to include new sectors, data holders and entities, the likelihood of compatibility and cyber security issues arising increases". The review recommended the government should consider undertaking a whole of ecosystem cybersecurity assessment to ensure that the CDR cybersecurity architecture continues to be fit for purpose into the future, and we welcome Treasury's consideration of these issues.

If you have any questions with respect to this submission, please contact Christiane Gillespie-Jones at Communications Alliance on 0402 473 743.

Yours sincerely,



John Stanton
Chief Executive Officer

¹ Local Number Portability (C540:2013): <https://www.commsalliance.com.au/Documents/all/codes/c540>

² Mobile Number Portability (C570:2009): <https://www.commsalliance.com.au/Documents/Publications-by-Topic/MNP>

³ Customer Authorisation Industry Guideline (G651:2017): <https://www.commsalliance.com.au/Documents/all/guidelines/G651>

⁴ Statutory Review of the Consumer Data Right: <https://treasury.gov.au/sites/default/files/2022-09/p2022-314513-report.pdf>

About Communications Alliance

Communications Alliance is the primary telecommunications industry body in Australia. Its membership is drawn from a wide cross-section of the communications industry, including carriers, carriage and internet service providers, content providers, equipment vendors, IT companies, consultants and business groups.

Its vision is to be the most influential association in Australian communications, co-operatively initiating programs that promote sustainable industry development, innovation and growth, while generating positive outcomes for customers and society. The prime mission of Communications Alliance is to create a co-operative stakeholder environment that allows the industry to take the lead on initiatives which grow the Australian communications industry, enhance the connectivity of all Australians and foster the highest standards of business behaviour.

For more details about Communications Alliance, see <http://www.commsalliance.com.au>.