



Implementation of an economy-wide Consumer Data Right

Strategic Assessment

Consultation Paper



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Consultation process

Request for feedback and comments

Interested parties are invited to comment on the issues raised in this paper by Thursday, 19 August 2021.

While submissions may be lodged electronically or by post, electronic lodgement is preferred. For accessibility reasons, please submit responses sent via email in a Word or RTF format. An additional PDF version may also be submitted.

Publication of submissions and confidentiality

All information (including name and address details) contained in formal submissions will be made available to the public on the Australian Treasury website, unless you indicate that you would like all or part of your submission to remain confidential. Automatically generated confidentiality statements in emails do not suffice for this purpose. Respondents who would like part of their submission to remain confidential should provide this information marked as such in a separate attachment.

Legal requirements, such as those imposed by the *Freedom of Information Act 1982*, may affect the confidentiality of your submission.

Consultation process to support the Strategic Assessment

Treasury's consultation process for the Strategic Assessment will involve consulting broadly with representatives from industry, industry associations, start-ups, consumer and privacy advocates and other interested parties.

The Strategic Assessment consultation process will also incorporate consultation activities including a Fintech and Regtech Community of Practice workshop, and targeted stakeholder roundtable and one-on-one consultation meetings.

Closing date for submissions: 19 August 2021

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Glossary

ADR	Accredited Data Recipient under section 56AK of the <i>Competition and Consumer Act 2010</i> (Cth).
CDR consumer	The ‘CDR consumer’ is the person who has the right to access the CDR data held by a data holder, and direct that the CDR data be disclosed to them or to an accredited or trusted person. For the purposes of the CDR a ‘person’ can be a natural person or a business.
CDR	Consumer Data Right.
Consent	Communication to an accredited person of the datasets and actions that the consumer is allowing them to access or perform, and the purposes for which the consumer agrees to their data being used and actions being initiated on their behalf.
Data holder	A party that holds data to which the CDR will apply, carrying obligations to provide that data to CDR participants.
Data / Datasets	Data is information translated into a form for efficient storage, transport or processing, and is increasingly synonymous with digital information. It includes product data (data related to the product/service advertised for example: descriptions, prices, terms, and conditions) and consumer data (data related to the consumer of the product/service for example: consumer contact details, or information relevant to their eligibility for a service).
Data sharing	The transfer of product and consumer data, usually referring to sharing under the CDR framework with consent.
Designation	Designation refers to the inclusion of a dataset or data holder in a designation instrument, as defined below.
Designation instrument	A legislative instrument made by the Minister under section 56AC of the <i>Competition and Consumer Act 2010</i> (Cth).
Standard/s	The technical data standards made by the Data Standards Chair for the purpose of the Consumer Data Right.
Strategic Assessment	A three-month assessment of to inform an economy-wide Consumer Data Right, as announced as part of the Government’s Digital Economy Strategy announced in the 2021-22 Budget.

Strategic Assessment to inform an economy-wide Consumer Data Right

Introduction

The Consumer Data Right (CDR) is a significant, economy-wide reform designed to empower consumers to benefit from the data Australian businesses hold about them and in doing so strengthen competition, innovation, and productivity.

The CDR gives consumers a right to consent to data held about them being shared with accredited and trusted third parties, to help a consumer derive direct benefits from the data they generate. Benefits can be profound, and help consumers navigate important decisions and milestones in their lives, including through having access to better value and personalised products and services across sectors, and access to financial management and budgeting applications.

The CDR framework has been designed to apply to the whole Australian economy and is being activated sector-by-sector. Following its launch in the banking sector in July 2020, the CDR is now entering a multi-year expansion with extension to the energy sector already underway, and telecommunications identified as the next priority sector. A telecommunications sectoral assessment will be completed in 2021, with a public consultation process to inform the sectoral assessment also underway.

As part of the Government's Digital Economy Strategy announced in the 2021-22 Budget, the Government committed to an accelerated economy-wide roll-out of the CDR with a new sector to be assessed and designated every year. To ensure implementation is guided by a focus on consumer value, the Government also committed to undertake a three-month Strategic Assessment commencing in July 2021.

Strategic Assessment process

The Strategic Assessment is intended to operate as a high-level assessment of sectors and datasets across the economy. It will consider how the CDR should be implemented across different parts of our economy having regard to the CDR's key policy objectives. The Strategic Assessment will provide a basis for a timetable for delivering an economy-wide CDR and will consider whether roll-out can be further accelerated.

This consultation paper seeks input on the prioritisation and sequencing of CDR implementation. That is, how should the CDR be implemented across the economy, having regard to the types of datasets that will most benefit consumers and the Australian economy. The Strategic Assessment will consider whether implementation should continue to adopt a sector-by-sector approach or focus on prioritising datasets across sectors on the basis of identifying important consumer decision points or life events, or by having regard to important daily activities that could be improved through better access to consumer data. Input is sought on - the order and speed of making particular datasets available across and within sectors to maximise the benefits of the CDR. Treasury will also be conducting targeted stakeholder roundtables and one-on-one consultation meetings as part of the Strategic Assessment process.

Feedback received as part of this consultation process will inform Treasury's analysis and advice to the Government about how the CDR should be rolled out. The Strategic Assessment process will form the foundations of the Government's CDR Implementation Roadmap.

Strategic Assessment criteria

In assessing how to roll the CDR out across the economy, particular regard will be had to the CDR's key policy objectives, including:

- what are the significant decision points and events in a consumer's life journey that would benefit from enhanced data access – what is the corresponding data journey and what datasets are significant in that journey? Put another way, which datasets will unlock significant **benefits for consumers** under the CDR regime (e.g. having access to better services, products and the associated data collected, by removing friction in consumers' lives, and by promoting economic and social inclusion)?
- which sectors or datasets provide the opportunities for the CDR to enhance **competition and market efficiency**?
- which sectors or datasets create opportunities for **innovation** through CDR (for example, by facilitating the creation new data-driven products and services that improve consumer outcomes)?
- which datasets provide opportunities for the CDR to promote **safer and more secure data sharing practices**, including for particularly sensitive datasets (e.g. the provision of identity or health information)?

As part of this process, Treasury invites the existing CDR community and consumers and businesses in the wider economy to contribute to setting the vision for the CDR and implementation priorities for the future expansion of the CDR having regard to these policy objectives.

To ensure the development of a CDR Roadmap that supports a consumer-led approach, delivering tangible benefits for the consumers and driving a thriving ecosystem, Treasury is interested in understanding the potential core use cases for the CDR that future expansion could bring. In particular, we seek to understand how the CDR can assist individuals, households and businesses and deliver concrete benefits and contribute to Australia being a leading digital economy and society by 2030. Conceptualising an economy wide rollout by reference to significant use cases could help identify important and cross-cutting datasets for priority designation. These use cases could include, but are not limited to, significant events or moments in a consumer's life (e.g. the establishment and expansion of a new business or the purchase or management of a significant asset) or facilitating consumers to align their spending and other activities with particular social and global causes (e.g. reducing their environmental footprint).

Consumer Data Right Strategic Vision

The CDR will fundamentally change the way Australian consumers and business engage, understand and benefit from data, and in doing so transform the economy by driving competition, innovation and productivity gains. It is a cornerstone upon which a thriving data economy can be built – creating an economy-wide, comprehensive right to allow consumers and business to access and control their data.

The CDR creates the secure infrastructure, or ‘rails’, to facilitate access to and transfer of data relating to the provision of goods and services or relating to the consumer of goods and services, as directed by the consumer. The CDR is being applied to key datasets and sectors across the economy through a process of assessment and designation with a strong focus on datasets that deliver tangible benefits for consumers either as a single dataset or in combination with others.

As the CDR is accelerated across the economy, it will take a ‘wrap-around’ view of a consumer’s data touchpoints (such as data created by a consumer in their day-to-day activities). The Strategic Assessment provides the opportunity to plan the expansion of the CDR based on supporting consumers to get the most out of the data held about them. This will help improve their quality of life and create better and more seamless engagement with relevant Australian businesses, government and non-government entities (at all levels), particularly where that engagement relates to the provision of a product or service.

Fundamentally, the CDR seeks to enable consumers to access data that is collected about them in relation to the provision of a good or a service, and/or consent to the sharing of that data with trusted and accredited third parties. This will ultimately make it easier for consumers to compare products within and across sectors and share data in a way that results in a benefit for them (e.g. sharing telecommunications data, energy or transaction data with a household budgeting app that is an accredited data recipient under the CDR regime).

Technological developments in the collection and use of information have transformed data into a hugely valuable resource. The CDR puts consumers in the driver’s seat to use data collected on them, for their own benefit, based on their specific circumstances. This will in turn drive competitive pricing and the growth of new products, services and Australia’s technology-service ecosystem.

Data sharing is not a new concept, however the processes through which it is currently possible are largely unregulated, unsecured, inefficient or lack competitive neutrality. These either rely on bilateral arrangements between participants, or the entrenching of poor cybersecurity habits, such as the sharing of usernames and passwords. Sometimes data sharing has involved sending information in a way that is unable to be easily used or linked to other datasets (e.g. providing raw data requested as a PDF or paper print out).

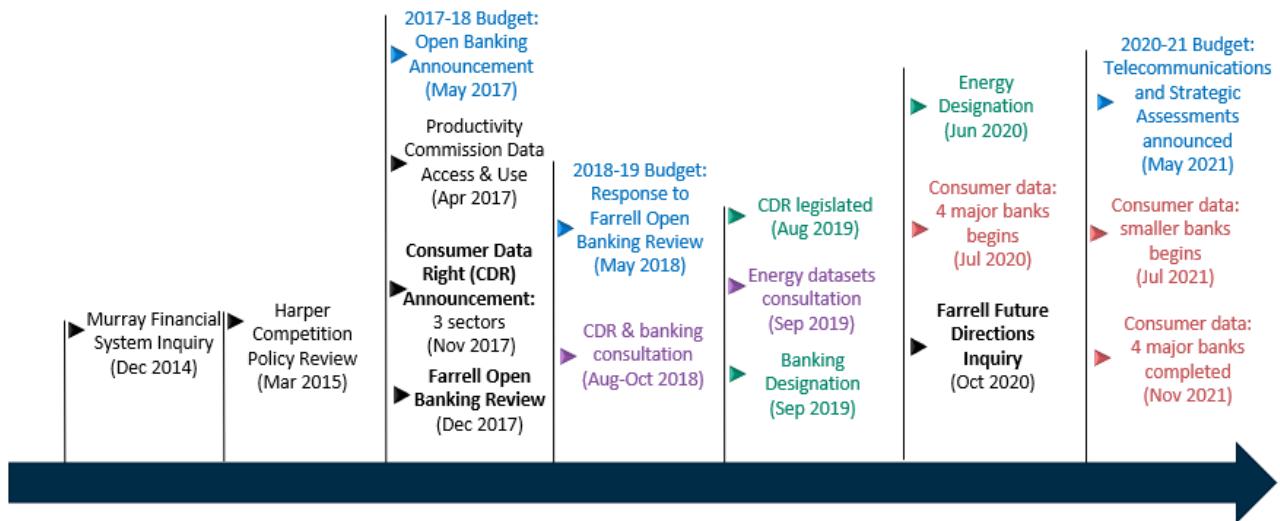
The CDR recognises that a consumer’s choice to share data will depend on their individual preferences and risk appetite. Privacy and security considerations are key to ensuring that information within the CDR system is held, used and disclosed securely, allowing confidence in the system to grow. Improving the way that data can be shared is therefore key to increasing user benefits but also user safety and trust. Sharing data within the CDR system creates an audit trail so that, if need be, it will be clear who has accessed specific data, at what time and under what circumstances.

As the CDR expands it will transform data from being an inaccessible resource used by businesses for profit, to an invaluable tool that consumers can control and benefit from as well. By giving users greater ability to understand their options, businesses will be forced to pass benefits on to consumers. This will help move the dial in sectors where having more engaged consumers would benefit innovation and customer satisfaction.

The potential benefits of the CDR are significant, transformative and cumulative and therefore implementation requires thoughtful planning having regard to design principles of being consumer-focused, whilst also encouraging competition and creating opportunities for participants.

Evolution of the CDR

Figure 1: CDR Timeline



Background

The CDR was conceived as a right by the Productivity Commission, based on the benefits it may provide to consumers and businesses, and its potential to address concerns about awareness of and access to data collected by businesses. The Productivity Commission identified that there was an overwhelming expectation on the part of individuals and businesses that they should have greater access to the data collected about them.

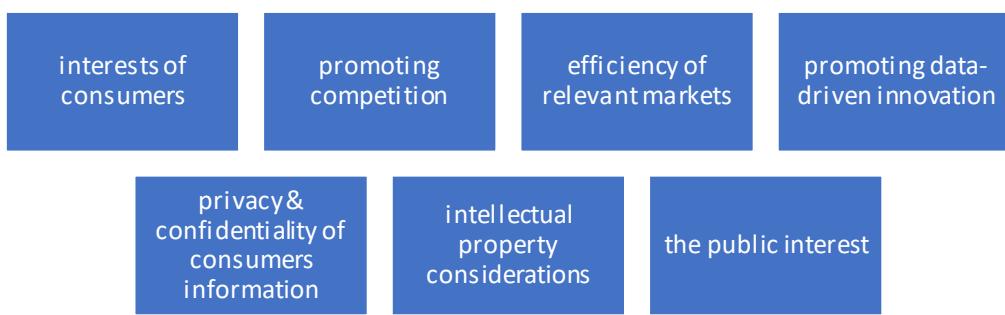
The CDR is established in Part IVD of the *Competition and Consumer Act 2010* (the Act) and it enables consumers (individuals and businesses) to access data held by businesses and direct it to accredited and trusted third parties for the purposes of providing goods and services.

Around the world, consumer-focused data portability systems are being developed and different countries are using different approaches. For example, government-led systems in the United Kingdom (UK) and Australia require industry participation by data holders and accreditation of data recipients by regulatory bodies. Other systems exist with limited government initiatives or guidance, as is the case in the United States of America, or facilitate industry-led work, as is the case in Hong Kong and Japan. Australia's CDR is a leading data portability system as it is one of the first to consider customer-controlled data portability beyond banking, and its economy-wide framework will inform the approaches of other countries.

Before the CDR can be applied to a new sector, a detailed sectoral assessment must be undertaken, and the sector designated by a legislative instrument made by the responsible Minister.

A sectoral assessment is prepared by Treasury and considers the implications of designating the sector for the CDR, including a range of factors (or criteria) set out in the legislation.

Figure 2: Sectoral Assessment Criteria



The sector assessment considers the type of data that should be designated and who holds the data in the sector to inform which data holders (e.g. banks within the banking sector and retailers within the energy sector) and what data (e.g. transaction data) should be designated in the designation instrument to be shared in a secure way, upon the customer's request.

The type of data generally falls into two categories:

- **consumer data** – information about a particular customer and how the customer (both individual or business) uses the product or service; and
- **product data** – information about the characteristics of a retail product or service.

Both datasets have been designated in the banking and energy sectors, with product data usually being shared first, followed by consumer data. Product data does not present the same sensitivities as consumer data because it does not involve the disclosure of personal or sensitive information and generally involves less industry build requirements. One important consideration for the Strategic Assessment is whether it is possible to have some datasets within or across sectors designated ahead of others – for example, designation of product reference data could be prioritised across one or more sectors ahead of consumer data. As highlighted below, viewing CDR roll-out through the lens of solving consumer problems and friction points or through supporting significant life events changes the focus from a sequential roll-out of sectors to the specific datasets associated with a particular activity that may be held by data holders across multiple sectors.

Once a sector or dataset has been designated the CDR rules and standards apply, and sector-specific revisions to rules and standards may need to be developed if there are sector-specific issues (e.g. complaint handling mechanisms) and to specify the timetable by which data sharing obligations will commence. For instance, in the banking and energy sectors, product data has been shared ahead of consumer data and the larger banks and retailers have been required to share consumer data ahead of the smaller banks and retailers.

Figure 3: Summary of the CDR sector implementation steps



Sector selection and designation to date

The banking sector was the first sector to be designated as a CDR sector, with Australia adopting a similar approach to other countries, such as the UK, that have implemented secure, consumer-directed data sharing regimes in banking. A key initial use case was to drive engagement behaviour based on research that revealed that consumers and businesses are often loyal to a service provider even if they can access a more cost effective and better quality service by moving products or changing providers. In the banking sector this manifests in some Australians paying too much for banking products and the imposition of a 'loyalty tax' for sticking with the same provider. For example, on average a person with a variable rate home loan more than four years old is paying \$1,000 more per year in interest for every \$250,000 outstanding on their loan.

The implementation of the CDR in banking commenced in July 2019 with sharing of product reference data, and officially launched in July 2020 with the four major banks commencing sharing of consumer data. The non-major banks commenced sharing on 1 July 2021.

The energy sector is the second sector to be designated by the Minister as a CDR sector and will among other things support the Government's policy agenda of driving down the cost of energy. For example, a representative South Australian residential electricity consumer on the default market offer could be saving up to \$442 per year by switching to the cheapest market offer.

While it is still early days in the implementation of the CDR in the banking sector, we can already observe its impact on driving innovation. Two data holders in the banking sector, Regional Australia Bank and Commonwealth Bank of Australia, have themselves become accredited under the CDR to improve their customer offerings and create personalised, competitive and differentiated banking experiences.

Telecommunications has been announced as the third sector for CDR designation, subject to the sectoral assessment process which is currently underway. Like the banking and energy sectors, the telecommunications sector is identified as a sector that is highly concentrated, where the information about products and services is complex and bundled making it difficult to compare and relate to consumers specific circumstances.

Pathway to an economy-wide CDR

An economy-wide CDR will allow the combination of data from different sectors in the economy, promoting synergies which will stimulate innovation, improve efficiency and benefit consumers. For example, while banking data can be used for financial planning and loan assessment purposes, a richer picture of someone's financial circumstances can be revealed when banking data is combined with superannuation and insurance data. Combining datasets may allow each individual dataset to gain value, resulting in an outcome that is 'greater than the sum of its parts'. As the number of sectors grows in the CDR, the possibilities from combining datasets increases and so to the flow-on benefits to consumers. Rolling-out the CDR economy wide should increase awareness of the Right and build an expectation in consumers that data sharing is available. As consumers encounter the option of using the CDR across the economy, they will become accustomed to it and grow in confidence in sharing data they generate for their benefit.

In future, an economy-wide CDR may not be limited to consumers sharing data but may extend to data-empowered consumers. The Report of the *Inquiry into Future Directions for the Consumer Data Right* led by Mr Scott Farrell includes a number of recommendations to expand the CDR's functionality to enable action initiation. If adopted, this would enable customers to safely and securely direct suitably accredited service providers to initiate actions on their behalf through the CDR including assisting consumers in acquiring new products or services, closing existing accounts, updating customer information and changing billing preferences on behalf of a consumer. Enabling action initiation in certain sectors could offer greater benefits.

This public consultation process invites views on the approach to an economy-wide rollout to inform how and when the CDR might be applied across the economy, and whether there are some areas of the economy where the benefits of rolling out the CDR are less substantial (e.g. due to significant costs, heightened implementation risks or challenges due to the sensitivity of the data). Treasury also invites views on whether prioritising or sequencing of the roll-out to particular sectors or particular datasets would facilitate greater adoption by consumers and potential data recipients or would improve efficiency of onboarding for data holders as the CDR increases in scale and scope. Feedback from the consultation process will inform a Strategic Assessment and will help set the direction for the Roadmap for implementing the CDR.

Importantly the Strategic Assessment will be high-level and provide a point-in-time analysis and will not provide the basis for designating a sector for the CDR. Whether or not the CDR is applied to a specific sector, dataset or area of the economy will be informed by a deep-dive sectoral assessment and require formal designation by the Minister (in the form of a legislative instrument) in accordance with the Act.

There are many sectors that may be suitable for designation under the CDR. Sectors that have been identified in previous Government inquiries, senate committee processes or CDR stakeholders as potential candidates for the CDR include:

Figure 4: Potential Future Sectors

Agriculture	General insurance	Groceries	Health insurance	Loyalty schemes	Non-bank lenders
Superannuation	Transport	Government	Health	Education	Digital platforms

There are likely to be other sectors or other areas of the economy that could be suitable for the CDR.

A key consideration the Strategic Assessment must tackle is what should be considered as a sector for CDR purposes, and are there useful ways to conceptualise what is a sector for CDR purposes, noting that a sector will likely comprise of smaller subsectors.

An alternative approach may be to consider priority datasets for designation that would support use cases across multiple sectors. For example, identity information such as passports or location data may be key to unlocking a whole range of use cases that warrant designation ahead of an entire sector or subsector being designated.

Guiding principles to support prioritisation

The prioritisation and sequencing of the CDR rollout should be assessed having regard to the overarching objectives of the CDR which are to deliver consumer value (including by empowering consumers and providing a safe and more secure means to share personal and sensitive data), drive competition and innovation.

Figure 5: Guiding principles to support prioritisation



Focus on benefits for consumers

First and foremost, our focus is on identifying datasets across the economy in which the CDR will unlock benefits for consumers. This includes identifying the important events and decision points in a consumer's life journey, the everyday problems and opportunities for consumers that could be solved through the CDR having regard to the size, scale and scope of the issue and how important or critical the issue is to consumers. Weighing up these considerations will inform the prioritisation and sequencing of the CDR rollout as it will highlight areas of greatest consumer benefit.

Recognising that consumer needs are diverse, opportunities also exist for the CDR to support disadvantaged and vulnerable consumers. The CDR has the potential to support these consumers safely share data they generate, as well as benefit from data-enabled products and services which they otherwise would not receive.

A consumer-centric approach

To date roll-out of the CDR has been based on a sector-centric approach with a focus on the benefits of CDR being applied to a particular sector and datasets within that sector, based on a particular use-case of driving better value products and services for consumers in the banking and energy sectors by spurring increased competition. Already, it is clear that CDR will offer so much more than supporting switching behaviours with ADRs and fintech's already offering consumers financial management apps, the potential to support faster and streamlined tax assessments and support businesses improve cashflow management and provide a form of digital identity.

Banking data is already being used to support use cases outside of the financial sector. When combined with energy data, telecommunications data and other datasets the potential use cases are significant and will go beyond simple but important use cases of empowering consumers to access better value and personalised services within a sector.

With the benefit of the insights already being generated from implementation to date, the Strategic Assessment provides the opportunity to take a more conceptual approach to CDR expansion which focusses on areas and phases in a consumers' life that could be improved through access to datasets relevant to a consumer action or event, and not necessarily linked to one sector. This supports a focus on consumer experience and the totality of a consumer activity or event that will likely transcend the boundaries of a particular sector or sector-specific dataset and involve a range of data held by different data holders.

For example, a significant asset purchase, such as a car or a home, will involve a range of activities and engagement with different data holders, such as: searching for the right car or home, engaging with the vendor, undertaking buyer-investigations (e.g. pest and building inspections), engaging with professions such as real-estate, car-yard agents, lawyers/conveyancers, accountants/financial advisers, assessing and accessing finance and insurance, effecting legal transfer of title and engaging with relevant government agencies, arranging removalists, updating all utility and services contracts including change of address for a range of different data holders.

Applying a 'life journey' approach, which considers the important moments and events/phases in the life of an individual (e.g. from cradle to grave such as starting your first job, getting married, travelling overseas, birth of children, retirement and death) or business (e.g. from start-up to expansion/diversification to winding-up), and the range of daily activities, household management and life admin that consumes time and money will support a consumer-centric approach and help identify the range of datasets and actions required. CDR has the potential to support consumers plan and manage these events and moments better, minimising and removing hassle and reducing costs by providing consumers access to data that will enable third parties to identify the best products and services to meet the consumers' needs at any given time, reduce time and effort searching for information and support streamlined access to services, products and advice.

The consultation welcomes views on the areas of greatest consumer demand or need for data-driven products and services and how the CDR could be used to increase benefits to consumer through better informed choices, better deals or greater convenience.

Enhance competition and efficiency of relevant markets

The CDR aims to enhance competition and market efficiency by enabling higher engagement by individuals and businesses with the data they generate. The sharing of consumer and product data with accredited and trusted data recipients should enable them to provide new services to consumers such as concierge type services and tailored advice. Overall, enhanced competition and efficiency will bring consumer value, some of which we are not even aware of.

Competition may be enhanced by lowering the barriers to entry for new industry participants by enabling the dispersion of valuable consumer data across the industry. This should enable market participants to offer more suitable services to consumers. It may also assist in overcoming any market power gained by data holders through the collection of data. By facilitating the transfer of data from data holders to accredited and trusted data recipients, it may facilitate competition and improve market efficiency. Sectors that are highly concentrated or where there are significant barriers to entry for new entrants could benefit from the disruption effect of the CDR.

The CDR is underpinned by behavioural insights that demonstrate inbuilt consumers biases where they stay with existing service providers even when better value services are available elsewhere. This can stifle competition and manifest in individuals and businesses paying a premium for their loyalty. The CDR makes it easier for consumers to make an informed decision based on data they generate to move to products and services that represent better value for them.

The consultation seeks to understand areas across the economy where a lack of competition results in poor quality service delivery, products and services that do not meet needs of different consumers and opportunities for CDR could drive competition benefits and how that might result in consumer value.

Create opportunities for data driven innovation

The CDR is expected to lead to significant innovation in Australia. It should fuel the creation of new services and business models and should improve existing services. The combination of datasets from different sectors presents an opportunity for innovation. Data can help enhance the benefits of artificial intelligence, for example in automated financial advice and insights.

Businesses should be able to gain insights into their supply chain operations, identify congestion and alleviate pain points to improve service delivery. A significant expected advantage of the CDR reduction in the time and costs associated with administratively intensive and cumbersome tasks and processes that require consumers to provide data, about their identity, income, place of residence etc for many areas of life and business. For example, completing tax returns, travel documentation, applications for banking products or to assess and compare rates, including on a

range of essential services. As more data becomes available, the opportunities for businesses that can turn data into time saving digital solutions increases.

The consultation welcomes views on what impact designating particular datasets (having regard to the series of actions that may be involved in completing a single consumer event such as the purchase of an asset) or a particular sector would have on data-driven innovation including improved products and services offerings (i.e. more innovative and consumer-orientated offerings or supporting digital services). This may include products and services that improve consumer participation or address areas of consumer disadvantage and adopt a holistic approach to a consumer's needs at various stages of their life (if a person) or business development.

Safer and more secure data sharing: consumer protection and privacy

Protection of consumer data is a core principle of the CDR, with the CDR offering a more secure, safe and trusted avenue for consumers to share their personal data to access better services and products without having to share account passwords or paper-based solutions which are inherently high risk.

The CDR regime has been designed to consider consumer privacy concerns, such as visibility, tracking and right to remove consumer data, without being more complex or costly than needed. Consumer interests, including interests relating to privacy, are required to be considered as part of the legislation-mandated sectoral designation process, and a Privacy Impact Assessment must be carried out during the formal sectoral assessment process before any sector can be designated for CDR purposes. The Australian Information Commissioner has a statutory role under the Act to report to the Minister any likely privacy impacts prior to designation.

Consumers may have concerns about the sharing of data with particular businesses, or the sharing of particular types of data, via the CDR. While certain kinds of data may be considered sensitive, such as location data or internet browsing data, data may also become sensitive when combined with other datasets. As awareness of the CDR increases, however, consumer familiarity and confidence in the CDR can also grow.

The CDR provides an opportunity to enhance information security and privacy for the benefit of consumers and recognises that data holders may already be benefitting from the insights and value derived from some sensitive datasets. While some sectors may already be sharing data to a significant degree, the CDR may provide a consumer-benefit focused and consent driven alternative. For example, the CDR could be used to support documentation required for a loan application by providing this information directly through data feeds from a data holder to an accredited data recipient, as directed by a consumer, instead of scanning and sending documents via email.

While consumers are wary of privacy and security issues related to data they generate, the measured, regulated, and secure roll-out of the CDR can instil confidence in consumers and facilitate greater benefits. Therefore, consideration of the impact of the CDR's higher safety standards on a sector is an important consideration in identifying the prioritisation and sequencing of CDR roll-out.

The consultation seeks to understand any sectors and datasets that may have elevated privacy concerns and how the CDR may be used to improve data sharing practices and address some of these sensitivities or where CDR may be particularly detrimental in terms of privacy. The consultation also welcomes views on the trade-offs that may exist between potential consumer risks and benefits that may exist or may arise from sharing data under the CDR.

Other implementation considerations

The CDR is being rolled out in the context of broader Government and industry initiatives that may influence whether or not CDR is an appropriate mechanism to drive competition, innovation and consumer outcomes. For example, other regulatory reforms or industry initiatives may already be planned or be in the process of being implemented that would mean the time and costs of implementing the CDR cannot be justified or additional time is required to assess any gaps that could be addressed by the CDR.

The level of digital maturity in a sector or subsector will also have a bearing on its relative prioritisation for designation under the CDR. Sectors with more sophisticated digital infrastructure, and greater levels of data standardisation, will be more easily transitioned to the CDR. The strength of the ICT infrastructure, levels of digital resources, track record of implementing major ICT builds, and baseline level of digital exposure within a sector or subsector will all be factors that are considered in determine a sector's CDR readiness. However, lower levels of digital maturity may not deprioritise a sector for the purposes of Strategic Assessment if there is a strong case for designation based on other factors. For example, it may be the case that well-resourced data holders may be in a relatively strong position to adopt the CDR even if they do not operate in a sector that has high levels of digital sophistication.

Given the number of potential sectors and subsectors for implementing the CDR, the speed of delivery will also be considered as part of this process. With a new sector to be assessed and designated every year, Treasury will consider whether this timeframe could be accelerated and whether a sector-by-sector approach is appropriate. Treasury will also consider whether there are improvements to the existing CDR regime that would enhance the roll-out to other sectors.

This part of a Strategic Assessment will also provide an early indication of implementation challenges that exist for extending the CDR to relevant data holders and datasets. Treasury seeks stakeholder views on any datasets or sectors that present significant implementation challenges due to digital readiness challenges or where preparatory reforms would need to be implemented first to facilitate data driven innovation.

The consultation welcomes views on existing or planned regulatory and policy initiatives or industry developments or digital maturity levels that should be taken into account when considering the optimal timing and sequencing of CDR roll-out.

Consultation Questions

An economy-wide CDR has the potential to transform the way consumers interact with data, how they make informed choices about the products and services, how services are designed to best meet a diverse range of needs and circumstances, taking into account phases in a consumer's life, reduce the time, effort and cost of accessing services and improve the quality of those services.

To date the CDR has been implemented on a sector-by-sector basis. To guide the implementation of the CDR into the future and ensure it is consumer-led and delivers maximum benefits for the consumer the Strategic Assessment provides the opportunity to step-back and consider implementation having regard to key phases, decision points and life events for a consumer where improved access to data could reduce time, hassle and cost and support consumers make more informed decisions.

1. Are there examples of use cases of particular life events or key consumer activities where access to consumer data within or across sectors could significantly improve consumer experience and outcomes? If so, how should such use cases be prioritised?
2. Are there particular important datasets that have cross-cutting benefits and could support a range of important use cases both within and across sectors.
3. What are the top consumer issues that improved access to consumer and product data could help with? In other words, what are some of the significant or innovative use cases in an economy-wide CDR? Why are they important? For example, are there use cases which would improve the welfare of, or ability to access services and improve participation by vulnerable or disadvantaged consumers?
4. What consumer or product data is required to bring these use cases to life?
5. Would prioritising access to a particular sector or dataset facilitate faster adoption or improve efficiency of expansion of the CDR? Are there sectors where significant data sharing is already occurring? If so, would applying the CDR improve this or provide additional benefits such as greater standardisation?
6. What are the more useful datasets for designation or examples of specific compelling datasets which providers across sectors could especially benefit from? Are there richer opportunities for consumer benefit where datasets from multiple sectors are combined?
7. Is the CDR the appropriate path to support these various potential use cases, or are there other solutions available?
8. Are there sectors with competition issues which would more readily benefit from reductions of data-related barriers? For example, to facilitate providers responding to competitive pressure by improving products and services, new market entries or increased transparency.
9. Which sector market's efficiency could be improved by making consumer and product data readily transferable to other providers? Are there sectors where there is currently a high transaction cost to release and disperse this data that the CDR could address?

10. Are there other steps we could take to strengthen or develop the CDR regime to enhance the economy-wide roll-out?
11. Are there any datasets or kinds of data that may or may not be suitable for Consumer Data Right designation (e.g. due to privacy concerns)? Why?
12. Are there global trends or good examples internationally of where consumer data is being used to drive better consumer and/or social outcomes? How has this informed that jurisdictions approach to rolling out comparable data regimes?