30 July 2021

Consumer Data Right
The Treasury
Langton Crescent, Parkes, ACT 2600

Consumer Data Right rules amendments (Version 3)

Alinta Energy welcomes the opportunity to respond to the consultation on version 3 of the Consumer Data Right rules and amendments.

Alinta Energy, as an active investor in energy markets across Australia with an owned and contracted generation portfolio of nearly 3,000MW and more than 1.1 million electricity and gas customers has a strong interest in the development of the CDR rules and their application to the energy sector. The CDR regime presents a significant challenge and complexity to impacted industries and while ongoing consultation on important issues of the type raised by Treasury is welcome, in the case of the energy sector, preparing for the CDR’s application is at a nascent stage.

While there is a desire to allow as many organisations as possible to participate in the CDR regime, Alinta Energy maintains the view that consumer protections and privacy take primacy over potential rule concessions (flexibility) introduced to support specific use cases and business models that may emerge. Further, while data providers may not be responsible for the inappropriate use of data shared with accredited persons and their affiliates, it is critical for confidence in the CDR that consumers understand how their data is being shared, the nature and currency of the data being shared, the process and ease of manage consents provided and their right to lodge complaints and resolve disputes.

We comment on elements of changes to Version 3 of the Rules below.

Sponsorship model

The sponsorship model proposed by Treasury is preferred to tiered accreditation of data recipients. We support the selection of affiliates by sponsors and leaving these arrangements to commercial decision making by agreement. Sponsors are best placed to assess and manage the risks associated with partnering with affiliates by agreement. The requirement that sponsors make affiliates aware of their obligations and provide training to comply with these is appropriate.

However, it is not clear how breaches of the use of CDR data and the protection of customer privacy will be enforced. For example, to what extent are sponsors responsible for their affiliate’s use of CDR information and where breaches occur, which party is responsible for reporting misuse of data? For customers, do they lodge a complaint with the affiliate or the sponsor and what is the dispute resolution process available to them?
In the table on page 13 of the Explanatory materials for the Version 3 changes to the Rules, participation model attributes are set out. For the outsourcing model, it is clear that the ADR is liable for its outsourced service provider; no corresponding attribute is listed for sponsors and affiliates.

Further clarity in the rules around the management and rectification of inappropriate use of data is necessary in our view.

**Trusted advisors**

Alinta Energy can appreciate the potential use cases that could be of benefit to consumers through the nomination of trusted advisors via an accredited data recipient/person. Sharing data with accountants, financial counsellors etc., may be of benefit to consumers but the presentation and selection of trusted advisors to consumers (and the motivation of an accredited person for doing so) carries with it risks to consumer protection.

As with the approach to affiliates under the sponsorship model, the rules governing trusted advisor use of data seem to be light handed and avenues for consumer dispute resolution unclear. Customers in the CDR regime will need to provide informed consent when authorising the sharing of data with trusted advisors that may not be subject to the Privacy Act 1988, or the rules applying to accredited persons under the CDR regime.

The practical impact of the complexity involved in helping consumers understand the type and validity of data they are consenting to share with trusted advisors via an accredited person may make it difficult for them to provide genuinely informed consent.

**Joint accounts**

The application of joint account provisions to the banking sector (at this stage) is welcomed given the challenges these rules would create in the energy sector. The application of secondary user rules is suggested by Treasury as a means of expanding data access for additional persons related to an energy account. Alinta Energy welcomes engagement with Treasury on exploring the application of this mechanism as an alternative to the joint account rules.

We welcome further discussion with Treasury as it continues to implement the CDR. Please contact David Calder on (03) 9675 5359 in the first instance should you wish to discuss matters raised in this response further.

Yours sincerely

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