

**From:** s 47F  
**To:** [Kelly, James](#)  
**Cc:** [Kelly, Lynn](#)  
**Subject:** CDR letter to the Assistant Treasurer  
**Date:** Monday, 18 November 2024 7:45:11 AM  
**Attachments:** [image001.png](#)  
[image002.png](#)  
[241111 ABA Letter of reply to Minister Jones.pdf](#)

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Hi James,

As mentioned – please see attached the letter sent from our CEO to Minister Jones regarding CDR.

Best regards,

s 47F

Chief of Policy

PO Box H218, Australia Square NSW 1215

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Australian Banking Association Limited. ABN 60 117 262 978.



**11 November 2024**

The Hon Stephen Jones MP  
Assistant Treasurer  
Minister for Financial Services  
Parliament House  
Canberra ACT 2600

Dear Assistant Treasurer,

Thank you for your correspondence regarding the Consumer Data Right (CDR) and your invitation to provide constructive, specific suggestions to support its success. As you know, the banking industry is committed to the success of the CDR, however, it is our opinion that it has not yet justified the significant investment by the banking sector, with a disproportionate impact on mid-tier banks.

The ABA recognises that the Government inherited the CDR in its current form and appreciates the attention and effort already given to support the CDR's future success. However, it is important to stress that there are significant structural challenges in the CDR that will require meaningful reform to correct. In her review of CDR compliance costs, Heidi Richards delivered a detailed diagnosis of these challenges and their implications – findings which we consider reflective of the experience banks have had with the CDR rollout. Notably, the review identified substantial deficiencies in CDR's design, implementation, and governance, which have driven poor policy outcomes – substantial and unnecessarily inflated costs, erosion of industry competitive dynamics, and minimal consumer uptake.

The ABA agrees that reforming the CDR requires a concurrent focus on both cost sustainability and consumer appeal, as they are interdependent and complementary. Meaningfully reducing compliance burdens will empower data holders, who are in a unique position to support CDR growth and trust, with the capacity to consider their own high-value use cases. With lower commercial barriers to participation supporting ecosystem growth, CDR has the potential to uplift productivity economy-wide, while greater consumer appeal, incentivises more businesses to follow their customers by investing in CDR applications. As CDR usage grows and compliance costs fall, the assessment of CDR cost would be reshaped – as scale, consumer preferences, and the commercial opportunities of CDR, transform how CDR investment is considered.

To support this work, we have outlined below two specific and pragmatic proposals to meaningfully address the current barriers to CDR success. Together, these proposals would support a CDR model that is both commercially sustainable and focussed on the Government's (and other) high-value use cases, while providing industry with greater confidence and financial headroom to consider strategic investment into data recipient functionality.

**1. Simplify scope by removing mandatory obligations low value products – those with minimal usage yet drive disproportionately high cost.**

The CDR requires banks to enable data sharing across nearly all products, including those that are incompatible with digital sharing or lack strategic alignment (e.g., tractor finance, commercial lending). This broad coverage has imposed significant costs on banks with minimal customer benefit – as a large share (typically more than one third) of individual CDR products have seen close to, or zero customers share their data. Heidi Richards noted this, finding CDR scope is too broad, has led to “*disproportionate regulatory focus on special cases*”, and imposed material costs on banks via obligations to share data with limited to no value.

Narrowing the CDR scope would reduce compliance costs, simplify regulatory changes, and align ecosystem focus on data sharing applications that consumers value and are most likely to use.



Currently, **around 99%** of CDR activity involves **consumer bank accounts, credit cards, and home loans**. We support these mandatory obligations being retained, as both demonstrable of existing and future consumer demand, and as having alignment to the Government's priority use cases. However, we recommend that mandatory obligations on other scope - collectively comprising **less than 1%** of activity - should be made voluntary.

More specifically, we recommend consideration be given obligations on the following products:

- **Business accounts**

Business accounts, which include any product not held in an individual's name, have seen almost no uptake – i.e. some banks have observed **fewer than 10** businesses in total choose to share their data. Despite this, business accounts drive disproportionately high cost due to their complexity, lack of standardisation, and manual processes. More than any other product set, business products drive the disproportionate edge-case regulatory focus identified by Heidi Richards and divert significant resources towards applications with no consumer demand.

While we believe maintaining mandatory obligations on business products is difficult to justify, we acknowledge your focus on small business and inclusion of accounting services as a priority use case. Reflecting this, we propose that business obligations be simplified, retaining mandatory obligations on transaction accounts and credit cards for small business customers only.

It is important that CDR remains focused on small businesses and avoids inadvertently consuming scarce resources to enable data sharing for large and institutional sized businesses. To address this, we recommend data sharing be limited to a common definition of small business – for example, using the Privacy Act definition.

This approach, limiting business scope and requiring data sharing for small businesses only, reflects the lessons of other markets. Notably, it is similar in breadth to the UK and would enable similar accounting services use cases.

- **Credit products other than credit cards and home loans**

These products represent less than 0.5% of CDR activity overall, and 0% for some banks. We recommend mandatory obligations on these products be removed.

- **Non-home loan investment products (i.e. margin lending and term deposits)**

These categories account for less than 0.5% of CDR activity, with some banks reporting no activity. We support removing these from the mandatory CDR scope due to their high compliance costs and limited consumer demand (e.g. term deposits represent less than 0.1% of CDR activity). This is especially true for complex products like margin lending, which are targeted to sophisticated investors, while also being in long-term, structural decline.

- **Closed accounts (product agnostic)**

While not product specific, current requirements to support continued data sharing for products after account closure require disproportionate cost and compliance resourcing to maintain. Closed accounts do not represent high value, with unclear use case potential, or very minimal data sharing activity to date (less than 0.5% overall). We support the removal of mandatory compliance obligations for closed accounts.

We recognise that some stakeholders may envision potential future use cases for some of these products. However, given the substantial ongoing costs, minimal demand, and strategic incongruency, we believe that hypothetical future demand does not justify the continued burden on data holders. We advocate for a pragmatic, evidence-based approach to mandatory obligations, ensuring that further investment is proportionate to and aligned with demonstrated consumer demand.



It should be noted that the UK has seen significantly higher uptake of data sharing via Open Banking than Australia, while imposing mandatory obligations on **transaction accounts and credit cards only**. This experience should affirm the importance of a targeted approach to obligations and demonstrate that a narrower product scope is an enabler, not an inhibitor, of data sharing uptake. Our proposed approach would still retain a much wider product range than the UK (i.e. through inclusion of savings accounts and home loans), while providing a meaningful opportunity to reduce costs.

## 2. Establish a ceiling on regular CDR change volume.

Heidi Richards identified significant deficiencies in the CDR standards making architecture as the cause of substantial cost escalation. While poorly designed and low-value regulatory change is a key contributor to cost accretion, fundamentally, the volume of change (irrespective of merit) is the primary driver of cost – an observation also made by Heidi Richards:

***"Changing regulatory obligations are a major contributor to CDR compliance costs and this was a key theme of the review."***

The review emphasised the importance of minimising change volumes, recognising that such limits could offer much-needed stability to the industry. By setting a cap on changes, banks could prioritise more impactful adjustments and make more strategic use of their resources, rather than being forced to constantly respond to a variable stream of unpredictable regulatory updates.

The impact of unchecked change volumes is expressed well in the observation by Heidi Richards that despite CDR implementation in banking being mature:

***"Maintenance costs have remained high, particularly for larger Data Holders, for which ongoing compliance costs appear to have reduced only marginally if at all, since the start of the CDR implementation phase."***

Industry welcomes the progress being made by Government already, including the proposed DSB governance reforms, and your statement of expectations to the DSB Chair. However, we are deeply concerned that the intent of these efforts may be undermined without the safeguard of a reasonable upper limit against excessive change.

Investment prioritisation, for both public and private budgets, relies on the concept of scarcity. Where resources are finite, trade-offs ensure the highest value investments are prioritised. Even with improved governance, the standards setting process still assumes the economic resources of participants are infinite by not imposing a clear, regular change ceiling.

While we agree that a more commercial governance framework should, in theory, lead to lower change volume, there is risk that this would not lead to satisfactory cost alleviation. CDR is first and foremost, a regulatory compliance obligation for banks. As regulatory change cannot simply be deferred if there are insufficient resources available, banks must anticipate future regulatory changes, and ensure sufficient resourcing is available to respond when/if required. In practice, this means that even where the intent for lower change has been noted, and CDR change proposals are held to a higher standard, internal CDR resourcing will continue at an unsustainable level as banks have no reliable certainty that change volumes will be lower.

We urge the Government to provide the DSB and CDR community with clear limitations on the volume of regular change. We appreciate the Government is not inclined to pause all CDR change – this proposal is not that. Rather it is to provide industry the requisite certainty to realise our shared objective of building a commercially sustainable CDR. We also see moderate and predictable change volume as an essential safeguard to ensuring participants are not burdened with further excessive investment obligations as the foundations are being stabilised. Industry is happy to work with your Office, The Treasury, and the broader CDR community on how we quantify a sensible limit.

In conclusion, as it will take time for a reformed CDR to drive meaningful consumer benefits, we urge these proposals be considered as a priority. ABA member banks are approaching CDR reform with the



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following principles - firstly addressing the cost burden of the CDR and directing scarce investment towards high-value initiatives that deliver real consumer benefits. Second, a shared recognition of the need for greater certainty around investment requirements to ensure the government's cost-reduction objectives are achieved.

The ABA is committed to constructive and pragmatic engagement on these matters and would appreciate the opportunity to discuss them with your office as soon as possible.

Thank you for your attention to this matter.

Yours sincerely,

s 22

**Anna Bligh AC**  
Chief Executive Officer

**From:** [CDR Engagement](#)  
**To:** s 47F [@ausbanking.org.au](#)  
**Cc:** s 47F; s 22  
**Subject:** For action: Consultation on scope of CDR data standards  
**Date:** Wednesday, 19 February 2025 3:28:14 PM  
**Attachments:** [image001.png](#)

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Dear s 47F

As per the email you would have received from s 22, we would like to book in time for you to meet with s 47F for input on the scope of CDR data standards.

Can you please advise your availability in the table below for the specified dates and we will send out a Microsoft Teams invite. If able, we would like to book in a 1-hour meeting for this to be conducted however if that is not possible then please let me know and we can adjust as required.

Monday 3 March	
Tuesday 4 March	
Wednesday 5 March	
Thursday 6 March	
Friday 7 March	

Kind regards,

s 22 — Executive Assistant  
Claire McKay, Assistant Secretary – Data and Digital Policy Branch  
Digital, Competition and Payments Division | Markets Group  
P +s 22

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*The Treasury acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures and to elders both past and present.*

**From:** s 22 on behalf of [McKay, Claire](#)  
**To:** s 47F ; [McKay, Claire](#)  
**Cc:** s 47F s 22  
**Subject:** RE: Consultation on scope of CDR data standards [SEC=OFFICIAL]  
**Date:** Wednesday, 19 February 2025 4:24:50 PM  
**Attachments:** [image001.png](#)  
[image003.png](#)  
[image006.png](#)

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OFFICIAL

Thanks s 47F

I have just booked you in for 10am on Thursday 6 March, please let me know if this doesn't work for you and happy to adjust on your return next week.

Kind regards,

s 22 — Executive Assistant, CBR  
Claire McKay, Assistant Secretary – Data and Digital Policy Branch  
Tony McDonald, Assistant Secretary – Competition and Digital Platforms Branch  
Sally Etherington, A/g Assistant Secretary – Payments and Financial Innovation Branch  
Digital, Competition and Payments Division | Markets Group

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**From:** s 47F @ausbanking.org.au>  
**Sent:** Wednesday, 19 February 2025 3:02 PM  
**To:** McKay, Claire <Claire.McKay@treasury.gov.au>  
**Cc:** s 47F s 22 @TREASURY.GOV.AU>  
**Subject:** Re: Consultation on scope of CDR data standards [SEC=OFFICIAL]

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Hi Claire,

Thanks for the update and looking forward to being involved.

Flagging that I'm away currently (back Wednesday Feb 26) so it would be much appreciated if the session could be scheduled anytime from the start of the following week (March 3 onwards). Let me know if this is an issue of course.



Kind regards  
s 47F

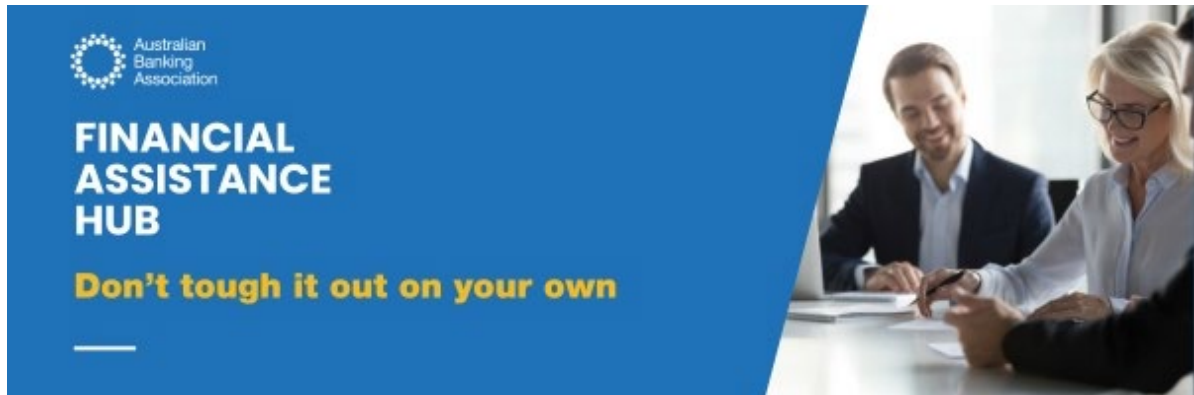
Policy Director



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The ABA acknowledges that our office sits on the traditional land of the Gadigal people of the Eora nation and that our member banks and their services are located across many traditional lands of Aboriginal and Torres Strait Islander peoples. We pay our respect to all first nation peoples and thank them for their custodianship of our country over thousands of years.

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**From:** s 22 [s 22@TREASURY.GOV.AU](mailto:s 22@TREASURY.GOV.AU) on behalf of McKay, Claire  
<[Claire.McKay@treasury.gov.au](mailto:Claire.McKay@treasury.gov.au)>  
**Sent:** Tuesday, February 18, 2025 9:51:21 PM  
**To:** s 47F [s 47F@ausbanking.org.au](mailto:s 47F@ausbanking.org.au)  
**Cc:** s 47F s 22 [s 22@TREASURY.GOV.AU](mailto:s 22@TREASURY.GOV.AU)  
**Subject:** Consultation on scope of CDR data standards [SEC=OFFICIAL]

You don't often get email from [claire.mckay@treasury.gov.au](mailto:claire.mckay@treasury.gov.au). [Learn why this is important](#)

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Dear S 47F

I'm writing to let you know that Treasury has engaged S 47F to report on the scope of CDR data standards, informed by interviews with a range of CDR stakeholders.

As the Assistant Treasurer, the Hon Stephen Jones MP, announced on [9 August 2024](#), the Government has reset the CDR to prioritise the highest value use cases and reduce compliance costs. We are seeking your input to inform consideration on whether the CDR data standards ensure data sharing is cost-effective and supports high-value use cases. This may include your views on the cost efficiency of the standards, including on the volume of data required to be shared to support use cases and the structure of the related standards.

You will shortly receive an email looking to set up an interview over the coming weeks.

I thank you in advance for your engagement with S 47F on this project. If you have any questions, please feel free to give me a call.

Kind regards,  
Claire

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**Claire McKay** — Assistant Secretary  
Data and Digital Policy Branch  
Digital, Competition and Payments Division  
P +61 2 6263 2124 M S 22

**Executive Assistant:** S 22

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ABA | Consultation on scope of CDR data standards [SEC=OFFICIAL:Sensitive]

CE

CDR Engagement

Required **s 47F** ausbanking.org.au; **S**

Optional **s 22**

✓ Accept

? Tentative

✗ Decline

🕒 Propose New Time

⋮

Wed 19/02/2025 4:24 PM

ⓘ We couldn't find this meeting in the calendar. It may have been moved or deleted.

🕒 Thursday, 6 March 2025 10:00 AM-11:00 AM 📍 Microsoft Teams Meeting

s 22

Microsoft Teams [Need help?](#)

s 47E(d)

For organizers: [Meeting options](#)



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