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Consumer Data Right Division

Treasury

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Consumer Data Right (CDR) – Sectoral Assessment Telecommunications – Consultation Paper

AGL Energy (**AGL**) welcomes the opportunity to provide a response to the consultation on the sectoral assessment of the CDR being extended to the telecommunications sector (**Consultation Paper**). We offer the following high-level comments as a multi-product retailer already subject to CDR requirements through our energy business, rather than addressing the specific telecommunications questions raised in the Consultation Paper.

CDR - Energy and beyond for multi-services provision

AGL supports the CDR regime as an economy wide model that enables consumers to have access to, and control over, data that directly relates to them. While CDR provides immediate benefits to consumers by accessing data in near real time from designated sectors and therefore advice on the best available product or service in the sector, the longer-term benefit of CDR is the ability for service providers to innovate across the various CDR designated sectors and provide consumers with holistic multi-services in a convenient one-stop shop arrangement. Accredited Data Recipients can also achieve greater economies of scale and scope with more designated sectors.

Hence, AGL recommends that Treasury ensure the telco sectoral assessment not only focusses on telco related use cases but also considers the multi-service provider use cases and benefits that can flow to consumers from a broader industry designation. AGL has already begun offering bundled energy and telco services, while telecommunications and banking providers are also entering energy services provisions. For example, Telstra has applied for an electricity retail licence and the Commonwealth Bank has recently entered into a partnership with Amber Electricity. The sectoral assessment must consider how broadening CDR will support better customer outcomes through these industry and market trends and use cases relevant to these trends.

AGL acknowledges that for CDR to be successful as an economy-wide reform there needs to be interoperability across sectors and only allow for specific industry requirements where there are genuinely unique aspects to a particular sector. To achieve economy-wide success, the CDR eco-system must facilitate easily accessible pathways for consumers to access their data information with appropriate privacy and confidentiality controls, together with promoting competition both within sectors and across industries for those who are multi-product retailers.

In determining whether the CDR should be extended beyond banking and energy to other sectors, such as telco, we support the listed key factors in the Consultation Paper¹ and specifically recommend that the original customer focus of the CDR remains the central premise for this decision to ensure that consumers

¹ Page 6



can take advantage of sectoral extension confident in the knowledge that they will receive better outcomes within and across the industries they participant in.

CDR – Benefit and cost analysis

In consideration of whether the telco sector should be designated under the CDR regime, the analysis needs to ensure that any anticipated benefits to consumers exceeds the projected costs to industry which would be incurred in complying with a designation. At all times, minimising costs should be a priority to ensure that any costs to serve consumers, which would ultimately be passed on in some form by those subject entities, are reflective and proportionate to the benefit the consumers are gaining because of the sector designation.

Leveraging existing frameworks, rules and standards to allow for cross sector functionality and interoperability should be the starting point to ensure that new business entrants subject to sector designation can access off the shelf CDR products, and those businesses participating across industries subject to CDR can utilise their systems and processes already in place or being developed for another specific industry designation. Despite this, we recognise the need for sector consultation in the development of specific rules and standards to ensure the CDR is fit for purpose. For example, the applicable regulatory frameworks must reflect industry practices and we commend Treasury changing to the Peer-to-Peer Model for data sharing in the energy sector, and the exclusion of the joint account rules applying to this sector, following industry feedback.

Visibility of CDR and public understanding

We also support the concern raised by banking and energy industry participants urging for there to be increased visibility of the CDR for consumers and a greater understanding of its purpose to significantly increase the uptake of consumers seeking this information, which at current levels in the banking sector is low. This is pivotal both in considering the extension of CDR to sectors like telco, but also for those in the energy sector. Without proper engagement by the CDR framework with consumers across all consumer segments and clear information on the use cases and benefits, CDR has the potential to being only a costly compliance exercise for industry sectors.

As always, we are happy to discuss further if you have any questions in relation to AGL's response, please feel free to contact me or Sarah Silbert, Regulatory Strategy Manager on SSilbert@agl.com.au .

Kind regards,

(Submitted by email)

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