

24 January 2024

To: The Treasury

By email: PreBudgetSubmissions@treasury.gov.au

Support independent consumer policy research for an effective Australian economy

To the Treasury Pre-Budget team

As part of the 2024-25 budget process, Consumer Policy Research Centre (CPRC) requests the Federal Government to fund and support independent research into consumer policy issues.

CPRC is a not-for-profit think tank that develops and champions ideas to make markets fairer for all Australian consumers. We are Australia's only dedicated consumer policy think tank. To date we've led Australian-first research across a range of critical issues impacting Australians today, including quantifying the harms of dark patterns (e.g. subscription traps), impact of greenwashing on Australian consumers, consumer insights on data and privacy, and consumer experience of essential services, including how vulnerability should be addressed and supported within these markets.

CPRC's research insights to date have extensively contributed to major reforms in Australia, and we continue to play an integral role in the Australian policy landscape by bringing evidence-based research that informs practice and policy change.

Effective consumer policy research needs critical funding

CPRC was established in 2016 by, and is currently funded through a grant from, the Victorian government, supporting us to undertake research and policy work relevant to both state and federal consumer affairs portfolios. This was in response to the Productivity Commission's recommendation that *"...there should be additional public funding for consumer advocacy and for policy related research, including to enable the establishment of a National Consumer Policy Research Centre."*¹

The Federal Government has yet to respond to these Productivity Commission recommendations, but other states have made some investments. CPRC was established in 2016 by, and is currently funded through a grant from, the Victorian government, supporting us to undertake research and policy work relevant to both state and federal consumer affairs portfolios. To date the Victorian Government funding has enabled us to establish our body of work which is recognised domestically and internationally as an integral voice in the consumer policy landscape. However, post 30 June 2024, this funding arrangement will no longer exist.

This is an opportunity for the Federal Government to ensure that rigorous evidence-based consumer research remains part of the Australian policy development narrative to ensure reforms are meeting the needs of Australians today and in the future. In Victoria, CPRC has been funded through the Victorian Consumer Law Fund (VCLF)² which comprises funds from Victorian enforcement actions taken under the Australian Consumer Law.

This is a model that has great potential to deliver at a federal level as well. This would require the Federal Government establishing a trust or grants program using funds secured from legal action taken by the

¹ Productivity Commission (2008) *Inquiry Report Review of Australia's Consumer Policy Framework – Volume 1 – Summary*, pp. 3, <https://www.pc.gov.au/inquiries/completed/consumer-policy/report/consumer1.pdf>.

² VCLF information is available at: <https://www.consumer.vic.gov.au/about-us/funds-we-administer/victorian-consumer-law-fund>.

federal consumer law regulator, the Australian Competition and Consumer Commission (ACCC). Given the volume of ACCC court actions and the new significant penalties that courts can impose under the Australian Consumer Law, the funds directed to a trust or grant program could be a percentage of the overall amount currently directed to general revenue.

We request the Federal Government to set-up an Australian Consumer Law Fund similar to that of VCLF. We note there is currently no equivalent of such a fund at a national level that ensures enforcement actions via the Australian Competition and Consumer Commission are channelled towards independent research and policy work that places Australian consumers at the heart of the issues. This action would be budget neutral in that no funding is required from general revenue, only a new process to take court-imposed penalties or a portion of these and direct them for the purpose of funding independent consumer policy and research.

Funding consumer representation in the Consumer Data Right

Since December 2022, CPRC, in partnership with other consumer organisations, has advocated for the Federal Government to fund consumer representation to assist with the development and roll-out of the Consumer Data Right (CDR).

The CDR has potential to help Australians navigate complex markets by using their data in safe ways to get better deals or access helpful innovative services. For this potential to be realised, there needs to be genuine consultation with the public and consumer policy experts on the set up and operations of the CDR in specific industries.

To date, consultation on CDR issues has been intensive, with frequent short consultation periods on highly technical matters. Consumer groups have not been able to regularly engage in the very detailed and technical discussions. While the CDR ecosystem has several working groups and forums, these are dominated by industry voices and there is limited opportunity for consumer representatives to effectively contribute. If this continues, there is a real risk that the CDR will not deliver for consumers.

Our organisations have supported CDR for a number of years but as of July 2023, we had to withdraw our engagement due to lack of resourcing.

Recently, the Treasury has offered some funding to support consumer representation and we are working with Treasury on what would be feasible within the funding. However, what has been proposed is less than 4% of the funding that is required to have meaningful and sustainable consumer representation across all issues relating to the CDR (see Attachment 1).

We request that the 2024-25 Federal Budget consider more adequate funding for consumer representation in the CDR debate based on previous proposals.

We would warmly welcome the opportunity to discuss any of the issues above in further detail. Please contact me on 0431 412 962 or erin.turner@cprc.org.au to arrange a meeting or discuss anything further.

Kind regards



Erin Turner

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Consumer Policy Research Centre