



Independent Review of the Principles of Reciprocity and Data Exchange (PRDE)

Issues Paper

Context

The Principles of Reciprocity & Data Exchange (PRDE) are the data exchange rules that support Australia's consumer credit reporting system. The rules have been developed by industry participants who include credit providers and credit reporting bodies. Signatories to the PRDE agree to comply with the principles of the PRDE, including reciprocity, consistency and compliance with the data standards. The principles are subject to an ACCC authorisation (see [here](#)), which must be renewed by December 2026.

The framework requires the PRDE to be independently reviewed every five years with a review due to be completed this year. It is expected that input from industry and other stakeholders will inform this Review.

The Reciprocity and Data Exchange Administrator Ltd (RDEA) administers the PRDE and amongst other things is responsible for formulating the scope and terms of the review (in consultation with signatories) and selecting the reviewer.

Phil Khoury of CRK has been appointed to complete the Review. The Terms of Reference for the 2024 Review are available [here](#) and the PRDE itself is available [here](#).

Also important to the context is the Attorney-General's Department current statutory review of Australia's credit reporting framework. This is focused on the credit reporting provisions in the Privacy Act 1988 and the mandatory CCR provisions of the National Consumer Credit Protection Act 2009 - due to report by October 1st. Issues considered as part of that statutory review may overlap with this PRDE review, which we will do our best to take into account.

Consultation Objectives

Following initial briefings, document review and a handful of discussions with a few key stakeholders, this paper is intended to mark the start of the PRDE Review. It is important that the issues identified within this paper do not limit the ability of stakeholders to raise other matters.

While there are many issues that might be considered as only of relevance to participants, there are others that will be of significance to non-industry stakeholders and it will be important that all of these voices have been heard.

Review Process

Once this Issues Paper has been circulated, the subsequent stages of the Review are planned to include the following. (Note that any suggestions for more effective or efficient ways of obtaining stakeholder input would be welcomed.)

1. Written submissions may be sent to the Reviewer at contact details below. They are due no later than August 28th. We are conscious that the current demand for consultation input and written submissions to other processes is particularly high. Written submissions are welcome but not essential. Copies or extracts from other currently relevant submissions would also be welcomed.
2. The Reviewer will send invitations for those interested to attend small group consultations during August. Stakeholders are welcome to request additional group meetings or individual discussions. Every effort will be made to accommodate these additional requests.
3. A draft Report will be pulled together by early September and, depending on the issues raised, some additional targeted consultation with those affected may be conducted on specific findings or recommendations.

A final Report is expected to be provided to RDEA for consideration in October. Subject to the nature of the recommendations, there may need to be consultation by RDEA itself on the precise detail of any proposed changes.

Issues

The following should be considered as initial prompts for response to this review. They are based on PRDE operational experience, previous stakeholder feedback, issues raised by the statutory review and a small number of initial discussions held with stakeholders by the Reviewer. They are by no means considered to be exhaustive and additional matters are welcomed.

Note that there is a list of useful links and downloadable background documents at prdereview@crkhoury.com.au. The RDEA have also provided the Review with a number of detailed background documents – which can be made available to stakeholders who wish to explore the issues at greater depth.

1. High-level matters

Briefings to date have raised high-level matters that include:

- a. Whether the operation of the PRDE is well integrated and aligned with the other framework elements of credit reporting – such as the law, the CR Code and current industry dynamics?
- b. Whether the transparency of the system is sufficient, eg. data being provided and sought, levels of compliance, nature and frequency of monitoring and compliance?

- c. Whether current governance arrangements are sufficiently independent?
- d. Whether signatory-led, self-regulation continues to be the preferred model for monitoring and compliance? Under the current framework or under some future arrangement recommended by the statutory review?
- e. Whether the overall costs of operating the PRDE are good value and fairly distributed?

1. *Introductory or overview observations as to the PRDE's effectiveness and place in the framework would be welcome.*

2. Ease of participation and engagement

The credit reporting framework is made up of a number of moving parts. It may not be clear to all stakeholders how each of the components work together or how best to participate within the system or to engage with it if external.

2. *Is your current understanding of the overall system satisfactory? Is improved information and/or guidance as to the PRDE's operation a priority? Do you have any specific suggestions?*

3. *Do you have feedback about communication, engagement, assistance or consultation with the RDEA? (Please indicate your role – eg. participant, signatory, external stakeholder, etc)*

4. *Is the current fees structure satisfactory? Efficient? Fairly distributed?*

5. *Are the current transitional / initial data supply provisions still needed? Should there be 'new entrant' transitional provisions into the future (currently new entrants may not have to contribute any data for up to 12 months)?*

6. *Are the current Designated Entity provisions still needed?*

3. Reciprocity and Consistency Principles

7. *Is the reciprocity principle generally operating as intended?*

8. *Is the requirement to report default information 'within a reasonable timeframe of the account becoming overdue' working?*

9. *Are the current PRDE exemptions to contributing and access to credit reporting information, including the materiality/participation threshold provision, appropriate? Do you have any suggestions to improve the operation of these provisions?*

10. *Is the timeliness and processing of data reporting satisfactory? Should improvement be a priority?*

11. *Is the consistency and quality of the data contributed meeting the aims of the PRDE? Is a greater focus on the consistency and quality of the data a priority?*

12. *Does the PRDE effectively deal with 'wrong' data, corrections and removals? (There are strong conflicting arguments about the current approach.) Should strengthening or improving this be a priority?*

13. *Do you have confidence that the consistency principles are operating as intended? Are there improvements that should be a priority or should the principle be expanded?*

4. Monitoring, Reporting and Compliance

14. *Are you generally satisfied that other signatories are meeting their obligations under the PRDE? Should improving transparency be a priority?*

15. *The approach to monitoring, reporting and compliance in Principle 5 was designed as 'signatory-led'. Do you consider that this approach is sufficiently effective to maintain confidence in the integrity of the system?*

16. *Should strengthening monitoring, reporting and compliance be a priority?*

5. Governance and management

17. *Currently the PRDE is administered by the RDEA, a subsidiary of Arca, and which is resourced by Arca employees, with a separate Board. This is intended to be a practical and comparatively efficient arrangement, given the small scale of RDEA operations. Do you think this provides sufficient real and perceived independence? Should strengthening this independence be a priority? If this involved a cost increase, would you be supportive?*
18. *Is the administration of the PRDE sufficiently effective? Are the critical priorities being addressed?*
19. *Is the level of support provided for participants (in particular for new entrants /onboarding) sufficient? Are there improvements that should be a priority?*
20. *Is RDEA engagement and support for participants effective? Does RDEA consult effectively on operational matters? Should improving this be a priority?*
21. *Is RDEA's engagement with industry bodies and external stakeholders effective? Should strengthening this be a priority?*
22. *Is RDEA's management of the Australian Credit Reporting Data Standard (ACRDS - the technical data standards) effective? Should improving this be a priority?*

6. Consumers impacts of the PRDE

23. *Is the PRDE, or the way it operates, meeting the expectations established by the overall credit reporting framework?*
24. *Are there examples of unexpected or inappropriate negative consequences for consumers? Should improving this be a priority?*

25. *What practical steps should be taken to improve outcomes for consumers arising from the PRDE?*

7. PRDE participation

26. *Should improving participation by sectors that are currently under-represented be a priority?*
27. *What practical changes to the PRDE, ACRDS or RDEA administration would improve participation generally?*
28. *If you are a credit provider (whether financial services or non-financial services; ACL holder or not) that is not a signatory, what are the reasons for this? What practical changes to the PRDE, ACRDS or RDEA administration would change your participation?*

8. Issues for an ACCC reauthorisation

29. *Are there issues or concerns relating to a future ACCC reauthorisation that you would want to raise?*

9. Other Issues

30. *Please feel free to raise issues not covered by the questions above.*