



26/10/2021

Digital Transformation Agency

By email: digitalidentity@dta.gov.au

Dear Sir/Madam,

Digital Identity Legislation – Position Paper

As a major digital ID provider in Australia and New Zealand, [REDACTED] welcomes the opportunity to provide this submission to the Digital Transformation Agency (DTA) regarding the development of the Trusted Digital Identity Bill and related legislative instruments, which would expand the Australian Government’s Digital Identity System into a whole-of-economy Digital Identity solution.

As previously stated in our submission dated 12/07/2021, [REDACTED] is broadly supportive of the intended reform, however we have expressed some concerns which we wish to re state in the below.

About [REDACTED]

[REDACTED] is a data and analytics business, operating in Australia since 1887. Using extensive consumer and commercial credit databases, we assist banks, other financial services providers and other businesses to make informed credit and risk management decisions, and help consumers access their personal credit information.

[REDACTED] is the provider of [REDACTED], one of the leading electronic identity verification and Anti-Money Laundering (AML) solutions that verifies the identity (ID) of customers in real-time against a range of data sources including government, public and proprietary data sources. We also partner with various suppliers to provide Biometrics verification solutions and are an accredited data recipient for Open Banking.

Major banks, buy-now-pay-later businesses, credit unions, brokers, online gaming providers and government agencies, use our solutions to verify a person’s identity and detect and prevent fraudulent activity.

Our general position:

Being part of the ID verification ecosystem, we have always been supportive of the move towards a fully digital economy which has been drastically accelerated by the Covid 19 pandemic. Online financial services have become the norm driving the need for an identification solution that also works in a digital environment.

In this context, █████ is in favour of the development of a legislative framework which enables collaboration between public and private organisations to create innovative solutions.

While we see huge value in a Government framework for digital ID, we would be concerned about an overly prescriptive system with mandatory obligations on individuals to create a digital ID. We are concerned about any reforms which would attempt to enforce or mandate a Government ID scheme as this has proven to be unsuccessful both in Australia and New Zealand.

Our specific comments on the Trusted Digital Identity Bill:

- █████ supports the need for an accreditation scheme. We note that commercial providers working in the financial services sector are being required to become accredited for multiple government services with potentially similar levels or audit and security requirements (for example the requirements to become an accredited data recipient under CDR). To reduce the compliance cost for private enterprise we would encourage adoption of common accreditation requirements wherever possible.
- We note that the proposal does not mandate 'in person' verification, we strongly welcome this as we do not see 'in person' verification as necessary for the creation of a digital identity given the acceptance of electronic verification in financial services (for example in the AML electronic Safe Harbour provisions).
- █████ are supportive of the introduction of safeguards on the use of Biometric data, while ensuring the Biometrics are able to play an important role in Digital Identity.
- We note that customer identification (KYC) is a key element of AML regulation. The AML legislation is prescriptive around identity verification, defining electronic AML Safe Harbour as a match of name and address or name and DOB against at least two independent, reliable and third-party databases. █████ would like further clarity around the inter-operability of digital ID and AML electronic Safe harbour, noting that if digital ID contains Name and DOB then it would be possible to achieve AML Safe Harbour using these parameters. Is the intent to enable a digital ID as an accepted AML identity verification method?
- We note the Legislation may include a definition of digital ID, which may list the core attributes in the TDIF rules as non-exhaustive examples of digital ID, for example family name, given name, and DOB. What consideration has been given to the maintenance of the physical attributes that form part of the digital ID as over time these physical attributes may change? How will the attributes in the digital ID be maintained and validated as still being up to date?
- In addition to AML identity verification there would appear to be use cases for the use of a digital ID in the Consumer Data Right framework, particularly if this framework were to be

expanded to allow write access and account creation. We would welcome further clarity around the direction and intent of the interoperability of digital ID and CDR.

If there are any questions or concerns arising from this submission, please feel free to contact me at any time at [REDACTED]

Yours sincerely,

