



# Opening Statement **Financial Technology and Regulatory Technology Inquiry, March 2021**

I would like to thank you for the opportunity to appear today before the Senate Select Committee on Financial Technology and Regulatory Technology. Further to the information the Digital Transformation Agency (DTA) has previously provided in our written submissions, and to the Committee's public hearings in February 2020 and July 2020, I am pleased to provide an update on the Digital Identity Program and its connections to Financial Technology and Regulatory Technology.

Digital Identity is a simple, safe, and secure way for Australians to prove who they are online when accessing government services. Australia is at the forefront of Digital Identity with the potential to unlock economy-wide benefits. As well as making it easier for people to access government services online, Digital Identity will streamline identity proofing across the financial and regulatory technology sectors.

Since our 11 December 2020 submission, Digital Identity continued to make progress:

- An additional 338,000 Australians having created a myGovID, meaning that over 2.1 million people now have a Digital Identity.
- Digital Identity is now being used to facilitate over 120,000 online transactions across 75 services.
- More than 81,000 people have already connected their Digital Identity (myGovID) to their myGov account since 5 December 2020, with more improvements to the service coming over the next 12 months.
- We received broadly positive feedback as part of the public consultation process on proposed Digital Identity legislation. Issues identified during the initial consultation period have informed the Digital Identity Legislation Synthesis Report and are informing the development of the Exposure Draft of the legislation. Further public consultation is planned for March 2021.

Looking ahead, the Australian Government is committed to expanding the Digital Identity program to make it available for use across state, territory, and the private sector with \$256.6 million in funding being allocated to this work in the 2020-21 Budget.

It will support the connection of 14 additional government services to Digital Identity, embed privacy and consumer protections in law, and will deliver increased privacy and security with the inclusion of Identity Proofing level 3 (IP3). IP3 will provide facial verification and liveness detection to ensure a person is real (not a photograph or video).

Expanding the Digital Identity system to states, territories, and the public sector, including financial and regulatory technology providers, will require new legislation. This legislation is required to embed compliance with standards and accreditation processes; such as those outlined in the Trusted Digital Identity Framework.

The DTA is supporting the Government's planned introduction of legislation into Parliament in late 2021. The DTA released the Digital Identity legislation Background Paper and Consultation Paper in November 2020 to engage with the Australian public over a 5-week period. The purpose of the consultation was to inform the development of legislation that will provide Australians with the confidence of an expanded Digital Identity system. The DTA received 44 submissions from Australian state and territory governments, the private sector, industry associations, consumer groups and individuals. In response to these submissions, the DTA released the Digital Identity Legislation Synthesis Report on our website, [www.digitalidentity.gov.au](http://www.digitalidentity.gov.au).

The DTA remains engaged with relevant stakeholders in the regulatory and financial technology sectors as we continue to develop planned legislation. The DTA has engaged with the Australian Payments Network, members of the Council of Financial Regulators, and directly with several financial institutions, the Australian Business Software Industry Association, FinTech Australia, and The RegTech Association.

We will continue to engage across the private sector and seek input from stakeholders across the financial and regulatory technology sectors. This will inform the development of the legislation and assist with planning for the implementation of the Digital Identity program. Our core objective is to ensure that Digital Identity meets the needs of people, businesses, and sectors all around Australia.

Thank you for the opportunity to provide evidence today and for inviting the DTA to this hearing. We look forward to answering your questions.

Peter Alexander  
Deputy Chief Executive Officer  
5 March 2021