

EXECUTIVE OFFICE



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18 January 2024

Mr Alan Raine
Committee Secretary
Senate Economics Legislation Committee

Submitted online

Dear Mr Raine

Re: ACCC submission to the Inquiry into Digital ID Bill 2023 and the Digital ID (Transitional and Consequential Provisions) Bill 2023

The Australian Competition and Consumer Commission (ACCC) welcomes the opportunity to make this submission to the Senate Economics Legislation Committee inquiry into the Digital ID Bill 2023 (Bill) and the Digital ID (Transitional and Consequential Provisions) Bill 2023.

The ACCC is an independent Commonwealth statutory agency that promotes competition, fair trading, protection of consumers' rights and product safety for the benefit of consumers, businesses and the Australian community. The primary responsibilities of the ACCC are to enforce compliance with the competition, consumer protection, fair trading, and product safety provisions of the *Competition and Consumer Act 2010*, regulate national infrastructure and undertake market studies. The ACCC's purpose can be summarised as 'making markets work for consumers, now and in the future'.

The Digital ID legislation will provide the foundation for creating a voluntary, secure, convenient and inclusive way for individuals to verify their identity online. It will establish an economy-wide accreditation scheme which will set a benchmark for privacy and information security for entities involved in digital identity services, and an independent regulator to provide accreditation and to ensure accredited entities are complying with their obligations. The independent Digital ID Regulator will initially be the ACCC.

As the Digital ID Regulator, the ACCC's role will include administering the accreditation scheme, maintaining public registers of accredited service providers and entities participating in the Australian Government Digital Identity System (AGDIS), and undertaking compliance monitoring and enforcement activities to ensure accredited entities and those participating in the AGDIS comply with their obligations.

The ACCC will bring to this role its expertise as an independent regulator and enforcement agency.

Further, the ACCC has developed expertise establishing and implementing a similar regulatory function for the Consumer Data Right, where it administers an accreditation scheme, publishes a register of accredited entities and undertakes compliance and enforcement activities to ensure entities are complying with their obligations. The Consumer Data Right provides consumers with access to their own CDR data in a safe and secure environment.

The Digital ID legislation will allow Australian consumers to have greater control over who has access to their personal information and identity credentials and can choose to use an accredited service provider, knowing that it means that service provider has met the Australian Government's benchmark

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for privacy and security. The ACCC sees this as an opportunity to empower consumers with an efficient means of proving their identity and supporting their interest to manage the protection of their private information and the risk of fraud or scam conduct.

As it looks to implement its role as the Digital ID Regulator, the ACCC will have regard to the principles of voluntariness, security, convenience and inclusion in designing its processes, providing guidance and applying the legislative framework for accrediting entities. The ACCC welcomes these principles and notes their importance in engendering consumer trust, and ensuring that inclusion, including people without digital access or literacy, is front of mind. This will include considering:

- the appropriateness of imposing conditions on accreditation,
- the appropriateness of granting exemptions from the obligation of voluntariness to entities operating within the AGDIS noting that voluntariness will continue to apply to Commonwealth services for people who access them in a personal capacity, and
- prioritisation of compliance and enforcement activities.

The objective will be to ensure the Australian community can be satisfied that accredited entities, and entities approved to participate in AGDIS, are offering digital identity services that are genuinely voluntary, trusted, safe and secure.

The ACCC looks forward to continuing to work with the Department of Finance and our government counterparts on the implementation of this legislation and progressing this important regulatory reform for the Australian community.

Yours sincerely



Gina Cass-Gottlieb
Chair