



The Chair  
Joint Standing Committee on Electoral Matters  
House of Representatives  
PO Box 6021  
Parliament House  
CANBERRA ACT 2600

16<sup>th</sup> May 2008

**SUBMISSION TO THE JOINT STANDING COMMITTEE ON ELECTORAL  
MATTERS: INQUIRY INTO THE 2007 FEDERAL ELECTION**

1. This submission is made by The Global Data Company Pty Ltd (GDC) to the Joint Standing Committee on Electoral Matters in relation to its Inquiry into the 2007 Federal Election.

**Background**

2. GDC is an Australian business which assists clients operating within Australia to comply with their identity verification and Know-Your-Customer obligations arising from the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act)* and the *Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1) (AML/CTF Rules)*. GDC also provides these services to overseas clients in order to comply with equivalent anti-money laundering laws around the world.
3. GDC is a prescribed organisation under regulation 7 of the *Electoral and Referendum Regulations 1940*. Accordingly, pursuant to section 90B(4) of the

*Commonwealth Electoral Act 1918 (Electoral Act)*, the Australian Electoral Commission (AEC) must give GDC information in relation to the Electoral Roll for the purpose of facilitating the carrying out of an applicable customer identification procedure under the AML/CTF Act. GDC currently has the most recent Electoral Roll data which was compiled at the time of the 2007 Federal Election. However, section 90B(7) of the Electoral Act prohibits the AEC from providing information which discloses particulars of the occupation, sex or date of birth of an elector.

4. The purpose of this submission is to highlight the anomaly which currently exists with respect to the requirement under a Commonwealth enactment (the AML/CTF Rules) to utilise date of birth information for customer identification purposes but the prohibition under another Commonwealth enactment (the Electoral Act) on obtaining such information from the most obvious and reliable source, the Electoral Roll.

#### **The current framework of the AML/CTF Act**

5. The AML/CTF Rules require Reporting Entities (as defined in the AML/CTF Act) to collect and verify certain information regarding their customers in order to confirm their identity. Specifically, the AML/CTF Rules (at 4.2.13) provide that a Reporting Entity may achieve “electronic-based safe harbour” if it can verify the following information via electronic means –
  - a. the customer’s name and the customer’s residential address using reliable and independent electronic data from at least two separate data sources; and either
  - b. the customer’s date of birth using reliable and independent electronic data from at least one data source; or
  - c. that the customer has a transaction history for at least the past 3 years.

6. The criteria set out above for safe harbour in respect of electronic verification represent the benchmark against which Reporting Entities will assess their customer's identity. Name and address information from the Electoral Roll is now available to prescribed organisations such as GDC under the Electoral Act. However, there is currently no ability to access independent and reliable date of birth or transaction history data in Australia.

#### **Date of birth information contained in the Electoral Roll**

7. Date of birth information is currently recorded on the Electoral Roll. In summary, it is GDC's view that date of birth data from the Electoral Roll should be made available to prescribed organisations for the purpose of facilitating the carrying out of an applicable customer identification procedure under the AML/CTF Act for the following reasons –
  - a. The date of birth data recorded on the Electoral Roll represents the most reliable and independent source of data for the purposes of identity verification under the AML/CTF Act.
  - b. There is no reason to believe that the provision of date or birth information to prescribed organisations (which already receive name and address information) would be technically or logistically difficult to achieve.
  - c. In light of the existing protections afforded by the Electoral Act for any Electoral Roll information disclosed to prescribed organisations for AML/CTF Act purposes, there is no increased danger or risk relating to privacy or unauthorised use or disclosure of such information.
  - d. The necessary amendments to the Electoral Act to allow for the provision of date of birth information would be relatively straightforward. For example, an additional section could be added along the following lines: "*For the purpose of section 90B(4), the Electoral*

*Commission may give information which discloses the date of birth of electors on the Electoral Roll to a prescribed person or organisation under items 5, 6 and 7 of that section”.*

## **Conclusions**

8. GDC recognises that the scope of the Inquiry is limited to issues arising from the 2007 Federal Election, which does not intuitively lead to an analysis of the AML/CTF Act and AML/CTF Rules. However, this legislation has been purposely (and importantly, very recently) enacted by the Commonwealth Parliament to address Australia’s international obligations to prevent money laundering and terrorism financing. The consequential amendments to the Electoral Act to allow for the full implementation of the AML/CTF Act has only been partially completed. In the absence of reliable and independent date of birth information, a reporting entity is unlikely to be able to achieve satisfactory compliance with its obligations under the AML/CTF Act and the AML/CTF Rules.
9. The disclosure of date of birth information contained in the Electoral Roll to prescribed persons or organisations for the purpose of facilitating the carrying out of an applicable customer identification procedure under the AML/CTF Act is the most appropriate method of addressing the current anomaly between the various Commonwealth enactments. GDC therefore respectfully urges the Committee to make a recommendation supporting the introduction of this relatively minor yet important statutory reform.
10. Thankyou for considering our views put forward in this submission.

Yours sincerely,

A handwritten signature in black ink, consisting of a large, stylized loop on the left and a vertical stroke on the right, with some internal scribbles.

**Edward Sedgley**  
Director

**The Global Data Company**  
Level 1, 99 Coventry Street  
South Melbourne  
Victoria 3205 Australia  
Tel: +613 9863 9180  
Fax: +613 9863 9189