



Australian Finance Conference

Joint Standing Committee on Electoral Matters	
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Electoral Act Regulation No. 1 of 2004

Australian Finance Conference (AFC)

The AFC is a national finance sector industry association. Our 60 plus member companies include banks, building societies and general and manufacturer finance companies. AFC associate member companies include a range of service providers to members in their capacities as financiers and credit providers; within this group are providers of identity verification services, including FCS Online and Baycorp Advantage.

Background to the Regulation

Following the JSCEM's review and report on the 2001 Election, the Electoral & Referendum Amendment (Access to the Electoral Roll & Other Measures) Act of 2004, amongst other things, prohibited provision of the Roll for "commercial purposes". The industry had not participated in the process leading to this amendment, with the result that use of Roll data in identity verification systems for financial transactions was not taken into account. The finance sector needs such services to avoid identity fraud and credit overcommitment and to meet its obligations in the area of anti-money laundering and counter terrorism. Following industry representations, this Regulation was made which excluded from "commercial purposes" access to the Roll so as to comply with the Commonwealth Financial Transactions Reports Act (FTRA).

Scope of the FTRA

The identity verification provisions of the FTRA (the '100 points test' within which confirmation of Roll details counts for 25) however only applies to a limited number of the 30,000 plus financial transactions currently utilising verification services each day. Under the Commonwealth's proposed new Anti-money laundering (AML) legislation, a much wider range of transactions will be covered, the FTRA will likely be replaced and the Regulation may need to be remade.

Roll Access for FTRA/AML Compliance

At present the identity verification service providers do not have to comply with the FTRA (it is their clients that have to). It is inefficient and unwieldy for each financial institution and intermediary within the scope of the FTRA and proposed AML to obtain and maintain their own Roll copy. Rather the few service providers should be licenced for this purpose. This may be addressed in the AML legislation.

On-line Identity Matching

Due to the technological capacity to successfully counterfeit most documentary means of proof of identity, it is imperative that systems processing applications and other financial transactions can match on-line the data that applicants and others are providing under the terms of their privacy consent.