



ACCI Opposes an Australia Card

The December 2005 ACCI General Council considered the Chamber's position on the need for a national identification card, commonly referred to as an 'Australia Card.' General Council reaffirmed ACCI's existing opposition to an Australia Card and noted that if the Australian Government pursues this policy it needs to clearly show how such a measure would demonstrably improve Australia's national security arrangements.

THE ACCI POSITION

At a meeting of the Business-Government Advisory Group on National Security held on 12 August 2005, the Federal Attorney General, Hon Philip Ruddock MP, raised as a matter for discussion the Australian Government's consideration of a national identification card.

The Attorney General noted that this matter was at a very early stage and that the Government would be preparing a paper to examine the arguments for and against such a proposal.

ACCI was represented at the meeting and our standing policy position of strong opposition to any proposal of this nature was recorded. This position dates back to the Australia Card debate of 1985-1987 and is inherited from both of ACCI's predecessor organisations - the Confederation of Australian Industry and the Australian Chamber of Commerce, which merged in 1992.

The previous debate on the Australia Card was centred on the issues of taxation and welfare accountability on the one hand and privacy and government intrusion on the other whereas the debate today appears to be principally in the context of national security.

However, ACCI believes that the 'anti' side of the debate still revolves around privacy and government intrusion issues, as it did 20 years ago.

ACCI recognises that our national security position is different to that of the 1980s, however we consider the onus is on those who propose such a far-reaching measure to show why it is necessary and to outline in detail how it would address matters of national security as intended.

WHAT'S HAPPENING OVERSEAS

International examples of the costs associated with the implementation of identity cards are also of major concern.

A recent London School of Economics (LSE) study on the cost impact of the proposed identity card to be introduced by the Blair Government in the United Kingdom is extraordinarily high. Their worst-case estimate is some £19.2 billion. Converting that number to Australian dollar terms and reflecting our smaller Australian population, that would represent potential costs as high as A\$750 per person or around A\$15 billion in total.

Even at half this level the cost is staggering and would far outweigh the cost of identification fraud that it is designed to address. Furthermore, this estimate only refers to government costs and not the flow on costs to business.

The LSE report also noted that with the exception of Malaysia, Singapore, Hong Kong and Cyprus no common law country in the world has ever accepted the idea of a peacetime ID card.

Politicians in the United Kingdom have noted that the most pernicious aspect of an ID card is not the plastic card itself but the need to create a national identity register to cross check with the bearer of the card. In their jurisdiction it is feared the register could become particularly invasive as it would be accessible by officials and other public bodies without permission.

In the USA, after the worst terrorist atrocity in modern history. The *9/11 Commission* considered the case for an identification card and rejected it. Given Australia's relative threat position it is hard to see why in Australia the requirement for such a response may be greater.

The Blair Government's introduction of national ID card legislation met with strong resistance. After initially supporting the legislation a couple of years ago, the UK Conservative Party switched its position to vehemently oppose the national ID card. The UK Liberal Democrats also opposed the card as did a large number of Blair Government backbenchers.

ACCI considers a sensible and proportionate approach is required of government in implementing policy responses. Clearly based on the above cost estimates this principle would not be adhered to.

THE POTENTIAL FOR IDENTIFICATION CREEP – ADDING TO BUSINESS COSTS

A particular concern of business that harks back to the debate on the Australia Card 20 years ago remains valid. That is, despite all the assurances provided by politicians there is a genuine fear of an inevitable prospect that an identity card would be used for far more extensive purposes than it may have been originally intended.

Apart from the level of invasiveness this may mean for all Australians, the business community is also concerned about the extent that they will be required to read, manage and store confidential information in areas such as employment verification. This is potentially just another administrative burden adding to the red tape problems with which all businesses, especially SMEs, are faced.

THE GOVERNMENT’S RESPONSE TO ACCI’S POSITION

In September 2005 the Prime Minister responded to the industry concerns expressed by ACCI and made the following specific points in his reply to a letter we wrote to him expressing our views:

- the Council of Australian Governments (COAG) meeting of 27 September 2005 would discuss among other issues the subject of identity security;
- a full and open discussion should take place on the need for a national security card especially in the context of recent terrorist attacks in London;
- any proposal will require careful consideration by governments to ensure it is both able to achieve security outcomes while maintaining the privacy of individuals;
- the costs of introducing a security card and its impact on industry also requires careful examination; and
- finally, the Commonwealth has already committed funding to a strategy designed to combat identity crime and this process will inform consideration of a national identity card.

The Prime Minister’s response recognises the potential impact such a proposal may have on industry and it also indicates the level of priority the government is assigning to the issue of identification fraud and its role in assisting national security.

COAG MEETING

The relevant COAG communiqué extract is as follows:

“The preservation and protection of a person’s identity is a key concern and right of all Australians. COAG agreed to the development and implementation of a national identity security strategy to better protect the identities of Australians. The strategy will enhance identification and verification processes and develop other measures to combat identity crime. The strategy will be underpinned by an inter-governmental agreement.”

COAG also agreed to:

“The development and implementation of a national document verification service to combat the misuse of false and stolen identities; and

Investigate the means by which reliable, consistent and nationally interoperable biometric security measures could be adopted by all jurisdictions.”

CONCLUSION

At this point ACCI is far from convinced on the merits of an identity card and has re-iterated its firm opposition to the introduction of such a measure.

We remain to be persuaded that it would address incidents of serious crime and terrorism and believe that the Government must be able to clearly show how such a measure would demonstrably improve Australia’s security arrangements.

ACCI is particularly concerned given international assessments of the potential costs and compliance obligations associated with a national identification system especially as many of these costs may be borne by business.

A robust cost-benefit analysis which quantifies the direct and indirect compliance costs that may be faced by business and the wider community should be conducted before any firm decision to introduce an Australia Card is taken – not, as is so often the case, afterwards.