



AUSTRALIAN CHAMBER OF
COMMERCE AND INDUSTRY

MEDIA RELEASE

Wednesday 26 April 2006

BUSINESS WARY OF POSSIBILITY OF 'BACKDOOR' AUSTRALIA CARD

Statement by Mr Peter Hendy, Chief Executive

The Australian Chamber of Commerce and Industry (ACCI), Australia's largest and most representative business organisation, is concerned that the latest government proposal for a 'smart card' could possibly turn into an identity card.

According to reports, the new card would be used for social security, Medicare and other government benefits requiring identification. While this may provide benefits in reduced claims fraud, the implementation of an upgraded card runs the risk of providing government with a platform for a far more costly and intrusive 'Australia Card type' proposal.

Prior to the introduction of a smart card ACCI considers a robust cost benefit analysis should be completed. We are also seeking the assurance of government that the potential for so called 'function creep' is limited. There is concern across industry that if the original and more narrow identification purpose is expanded this may result in a significant compliance burden for business.

ACCI maintains its strong opposition to a more comprehensive national identity card based on:

- the limited effectiveness of such an initiative. We remain to be persuaded that it would address incidents of serious crime and terrorism and believe that the Australian Government must be able to clearly show how such a measure would demonstrably improve Australia's security arrangements;
- its likely implementation costs. In particular ACCI is 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;
 - overseas experience indicates the potential cost of an identity card could be as high as A\$750 per person or around A\$15 billion in total – and that does not include the flow on costs to business;
- concerns that the business community would become heavily involved in the identification card process in that businesses will be required to read, manage and store confidential information in areas such as employment verification, adding yet another level of red tape and regulatory complexity; and
- the need to create a national identity register to cross check with bearers of a card and the prospect that once introduced, an identity card would be used for far more extensive purposes than originally intended.

We welcome the initial indications in some media reports that the government may have revised its view on the need for an identity card however ACCI will continue to remain vigilant in this area.

For further information:

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