

## — JOINT SUBMISSION TO AUSTRALIAN GOVERNMENT DIGITAL IDENTITY LEGISLATION —

Senator the Hon. Katy Gallagher  
Department of Finance  
One Canberra Avenue  
FORREST ACT 2603  
AUSTRALIA

### Re: Comprehensive Submission on the Digital ID Bill Consultations

Dear Senator,

We write to you as representatives of Apella (Spartan Digital Agora Pty Ltd) and Anuna (Anuna Research Pty Ltd), organisations deeply vested in the field of digital identity and technology innovation. Our combined expertise, which includes previous successful ventures such as Australia's first successful digital currency exchange (DCE), Bit Trade Australia, Bit Trade Labs (one of the world's first blockchain development agencies), and Hugo O'Connor's work on the [MacroKey](#) project, positions us to provide insights into the development of Australia's digital identity framework.

#### 1. Background and Expertise

Our collective background encompasses a comprehensive understanding of digital identity, blockchain technology, and decentralised systems. Ronald M. Tucker's leadership roles at Bit Trade Australia and Bit Trade Labs have significantly contributed to the advancement of cryptocurrency and blockchain adoption in Australia. Hugo O'Connor's tenure at CSIRO involved pioneering work on the MacroKey project, a self-sovereign identity (SSID) application with relevant implications for digital identity and security.

In addition to our extensive experience, we are actively engaged in a proposed forthcoming partnership with LAB.PH in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), Philippines. This initiative aims to leverage decentralised identity (DiD) to reduce transaction costs across the economy and enhance security for the citizens of BARMM, with a reach to over 6 million people.

#### 2. Embracing Interoperable Standards

Since 2015, we have closely monitored the evolution of Australia's approach to digital identity, including meeting with the program director and advocating for the principles of decentralised identity. It has become increasingly evident that the direction the Digital Transformation Agency (DTA) took at that time needs to align with global best practices. Indeed, at that time the DTA modelled its approach on the UK's Verify identity assurance program which has since been discontinued, described in a Parliamentary post-mortem as "an onerous system not fit for purpose" [1]. We firmly advocate for Australia to adopt open, interoperable standards, such as the W3C's Decentralized Identifiers (DIDs) and Verifiable Claims. These standards are gaining widespread adoption globally, such as within the United States Department of Homeland Security (DHS) Science and Technology Directorate (S&T) Silicon Valley Innovation Program (SVIP) and the European Union's electronic Identification Authentication and Signature Regulation (eIDAS) v2 Architecture and Reference Principles currently being overhauled to adopt decentralised identity principles. By embracing these standards, Australia can remain at the forefront of international digital identity initiatives

#### 3. Leveraging Government Credentials

We propose a paradigm shift in which Australia leverages its existing government-held credentials to create a more efficient and user-centric digital identity system. By issuing cryptographic certificates from existing government records tied to decentralised identifiers (DIDs), individuals can gain greater control over their digital identity while enhancing trust in the system. This approach establishes a "public good" data layer that can significantly reduce transaction costs across various sectors. Moreover, it supports cross-border trade by simplifying the verification of credentials, such as those relating to identity.

#### 4. Open-Source Development and Privacy

Rather than investing substantial resources to develop and maintain a proprietary Digital ID app, we recommend addressing specific technical challenges affecting Australian citizens and businesses, such as those related to privacy, with the output being a set of components that can be freely adopted by other nations or organisations developing similar solutions. Australia can lead by example by investing in open-source solutions that benefit the broader community, such as our neighbouring countries in the Pacific. Collaborative development ensures transparency and innovation.

Additionally, strengthening existing privacy legislation is essential to safeguard citizens' rights and align with international standards.

#### 5. Accredited Entities and Competition

We express concerns regarding the reliance on accredited entities within the proposed Digital ID system. The associated operational costs and regulatory obligations may create barriers to entry, resulting in a limited number of providers. This scenario could lead to higher costs for consumers and businesses. We urge the government to consider a more diverse ecosystem with lower entry barriers to foster innovation and competition, ultimately benefiting all stakeholders.

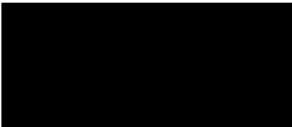
#### 6. The Need for Comprehensive Legislation

While we appreciate the intent of the Digital ID Bill, we encourage a broader perspective that encompasses a comprehensive legislative framework and captures a broad range of activities. A standalone Digital ID Act should be integrated into existing privacy and data protection legislation to ensure consistency, enhance security, and promote public trust across a range of software solutions.

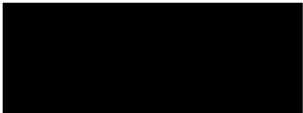
In conclusion, we appreciate the opportunity to contribute to the Digital ID Bill consultations. Our experience, particularly Hugo O'Connor's work on the MacroKey project, underscores the importance of embracing open, interoperable standards and empowering individuals with self-sovereign identity solutions. We believe that Australia has the potential to lead in this space and set an example for the world.

Thank you for considering our comprehensive submission. We look forward to further discussions and collaboration on shaping Australia's digital identity framework.

Sincerely,



Hugo O'Connor  
Staff Engineer, Anuna Research Pty Ltd



Ronald M. Tucker  
Director, Apella (Spartan Digital Agora Pty Ltd)

[1] <https://publications.parliament.uk/pa/cm201719/cmselect/cmpublic/1748/174802.htm>