

# **JUST ANOTHER PIECE OF PLASTIC FOR YOUR WALLET: THE 'AUSTRALIA CARD' SCHEME**

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*During 1985-87 the Australian Government developed a proposal for a national identification scheme. With public concern about the scheme's implications increasing, the Australia Card Bill was defeated in the Senate in November 1986 and again in April 1987. This paper outlines the proposal, and comments on its technical features, its economics, its implications and its prospects.*

**Keywords:** Australia Card, identification, national identification scheme, government data systems, computerised databases, data surveillance.

## **BACKGROUND**

In early 1985 the Federal Government embarked on a campaign to address widespread tax avoidance and attack tax evasion. In March 1985, the Australian Taxpayers' Association, through its National Director Eric Risstrom, suggested to the Prime Minister, Bob Hawke, the use of identity cards. The idea struck a chord with senior public servants responsible for administering large-scale welfare, tax and social control programmes in a country whose law and customs provide considerable scope to the individual. It was adopted in less than a fortnight, and a (secret) Inter-Departmental Committee (IDC) established. The never-published Terms of Reference of the IDC were presumably very broadly phrased.<sup>1,2</sup> The idea was publicly floated by a senior tax official shortly afterwards, and discussed by the Federal Labor Caucus in April-May. The Draft White Paper on Tax Reform, released in June in the lead-up to the ill-fated Tax Summit, dealt in a single page with the possibility not of an identity card, but of a 'national identification system'.<sup>3</sup>

The proposal was passed from the Treasurer to the Minister for Health for further development, presumably because of the success with which the Health Insurance Commission (HIC) had introduced the Medicare scheme in 1983-4. Neal Blewett, in the Ministry but not yet in Cabinet, grasped the opportunity with vigour. With the aid of an advertising agency he dubbed it the 'Australia Card' scheme, decked it out in patriotic green and gold, and promoted it with a

glossy brochure<sup>4</sup> and mocked-up Cards for the press gallery. From the very beginning, the proposal has had a dual personality. Publicly it is merely a plastic card, privately a compulsory, comprehensive, multi-purpose identification scheme.<sup>22,23</sup>

At the Tax Summit in July 1985, the invitees were concerned with economic rather than social issues, and reasonably enough regarded the ID scheme as peripheral to the main agenda. Since it was not subjected to any critical consideration, the Prime Minister was able to claim 'consensus' support for it. The IDC generated two more reports,<sup>5,6</sup> but the only information which was made public was in the Treasurer's Statement on Tax Reform of September 1985.<sup>7</sup> This devoted less than four pages to a scheme estimated to raise over \$0.5 billion dollars per annum.

At the very end of 1985 the Senate forced the matter to be referred to a Joint Select Committee of Federal Parliament. The Committee was granted 3½ months over Christmas to consider the matter, hold public hearings in all States, and complete its Report. Public comment to that Committee was severely constrained. Three outdated documents were made available in mid-December.<sup>1,5,6</sup> However, the Government did not publish its actual proposals<sup>8,9</sup> until after the closing date for public submissions on 31 January 1986. Although written submissions were in fact accepted until 31 March, some members of the public were denied the opportunity to present their arguments.<sup>10</sup> Despite these difficulties, a majority of the Committee, comprising members from all parties, concluded that the scheme should not be proceeded with.<sup>11</sup> The Government ignored that conclusion.

By the beginning of 1986 the Australian Democrats, through their incoming leader Janine Haines, were committed to oppose the scheme. By late 1986 there was greater awareness in the community concerning the scheme, and an increasing level of concern. The Shadow Health Minister, James Porter, was able to convince the Liberal and National Parties (some of whose members had originally been attracted by the scheme) to oppose it.

The 130-page Australia Card Bill<sup>12</sup> was introduced into the House of Representatives in October 1986 and debated in November. The debate<sup>14</sup> was gagged after nine hours (when the Government appeared to run out of speakers), and the Bill was passed on Party lines. It was considered at greater length in the Senate, where the Government lacked a majority. In a debate lasting 14½ hours, 24 of the 42 non-Government Senators spoke with great vigour against it, and the rare event occurred of a Labor Senator speaking against his Party's Bill, and refusing to vote in support of it. The combined strength of the Democrats, Liberals and Nationals defeated the Bill on 10 December 1986.

Threats were immediately made to re-introduce the Bill as a basis for double-dissolution, and were equally promptly retracted. On 5 February 1987, the Minister for Health announced that some minor modifications would be made to the Bill (which, among other things, would have meant that its defeat a second time would not have provided grounds for double-dissolution). By early March the Opposition was in disarray, with leadership challenges under way within both Liberal and National Parties. After a Cabinet meeting, the Prime Minister announced that the Bill would be reintroduced without the presaged amendments.

The Bill was reintroduced unchanged on 18 March, the debate<sup>15</sup> in the House of Representatives was again gagged (this time after 8½ hours), and the Bill passed on 25 March 1987 on Party lines. During March the Prime Minister encouraged a great deal of media speculation about a second rejection of the Bill in the Senate leading to a double dissolution. On 1 April he took the unusual course of calling a special media conference to announce that the Government would not exercise the double-dissolution option. The Bill was defeated in the Senate on 2 April after 12½ hours' debate.

In all, 33 of the 42 non-Labor Senators took an active part in the debates, all speaking against the Bill. Of the 34 Labor Senators, only 12 spoke in its favour, and one resigned from the Party and spoke and voted against it.

## **PUBLIC ATTITUDE TOWARD THE PROPOSAL**

Throughout the campaign, public opinion polls purported to show significant support for the scheme. However, the questions referred to an 'identity card' (which the Government has always maintained the Australia Card is not), and made no mention of the other aspects of the scheme. On at least one occasion the question was preceded by a statement that the card's purpose was to combat tax cheating and social security fraud. Despite the bias in favour of the scheme, only 66-68 per cent of those sampled supported the 'identity card', and fully 25-30 per cent opposed it.<sup>21</sup>

For the most part, the media considered the proposal less as an issue in its own right than as an element of party-political combat. Indeed, after almost continuous publicity during the campaign, the media lost interest as soon as the Prime Minister announced there would be no early election, and the Bill's second defeat attracted only 15 column centimetres in 'The Sydney Morning Herald' and 'The Age' combined, and was not reported by 'The Australian' (Friday, 3 April 1987).

During the early months of the campaign, media commentators were mostly supportive of the scheme. By the beginning of 1986,

however, appreciation of its breadth and pervasiveness resulted in commentators being divided. Editorials in the major newspapers remained generally supportive throughout the campaign, with one or two notable exceptions. The large numbers of published *Letters to the Editor* were on balance heavily against the scheme. During December 1986, another dubious measure (petitioners to the Senate) ran 20:1 against the Bill.

**EXHIBIT 1: ELEMENTS OF THE 'AUSTRALIA CARD' SCHEME**

**Register.** A central register containing data about every member of the population, to be maintained by the Health Insurance Commission (HIC);

**Code.** A unique identifying code for every member of the population, to be assigned by the HIC;

**Card.** An obligatory, multi-purpose identification card for every member of the population, to be issued by the HIC;

**Obligations:**

**On All Individuals** to produce the card when undertaking a wide variety of dealings with a wide variety of both government agencies and private sector organisations (including all employers and financial institutions, but also hospitals, real estate agents, produce agents, etc.);

**On All Organisations** to demand the card, record the code, apply sanctions to people who fail to produce it, and report information using the code;

**Use:**

**Of the Code** by a wide variety of organisations. Despite Ministerial promises, it does not appear that private sector record-keepers are precluded from using the code as an internal identifier;

**Of the Register**, or information from the register, by:

*the participating agencies:*

the Australian Tax Office;

the Department of Social Security; and

the HIC in respect of both Medicare and the national identification scheme;

*other agencies:*

the Immigration Department in specific circumstances; and

the Federal Police in specific circumstances;

**Of Reports** containing the code by the Tax Office;

**Cross-Notification** of changes to identifying data, particularly address, among the participating agencies.

## THE SCHEME

This paper reports on the scheme as it was understood at the end of 1986. The documents which are currently authoritative are the Bill itself;<sup>12</sup> the Health Department's *Toward Fairness and Equity*,<sup>8</sup> and the Health Insurance Commission's *Planning Report*,<sup>9</sup> both of February 1986. The scheme comprises a number of inter-dependent elements which are identified in Exhibit 1. The Government has been careful to project the proposal as the 'Australia Card' scheme, and has, largely successfully, played down the 'databanks and dossiers' aspects. It has consistently claimed that the register, the hub of the network, is not a centralised database.

## THE OBJECTIVES

Despite explicitly referring to the problem in May 1985,<sup>1</sup> the planning authority was by the following August still "not aware of any formal statement of objectives".<sup>5</sup> Even in its February 1986 submission to the Joint Select Committee, the Government failed to make its objectives explicit. The July 1985 advertising brochure included mention of rationalising all record-keeping about individuals by government agencies.<sup>4</sup> Both the Treasurer's *Statement*<sup>7</sup> and the HIC's final *Planning Report*<sup>9</sup> assumed that the scheme was general-purpose in nature. Government agencies made many representations for additional uses, and the press reported that in one day Cabinet considered 37 of them. The proposal at one stage included 13 agencies before being contracted back to three major and two secondary participants. Nonetheless, in promoting the scheme, the Government consistently focussed on tax evasion, welfare fraud and illegal immigration.

There are good reasons for assuming that the concentration on these 'ideas in good standing' is merely tact or tactics. The HIC, the agency charged with its planning and administration, consistently assumed that the scheme was to have general applicability. In May 1985, it gave refreshingly frank advice to the Government: "It will be important to minimise any adverse public reaction to implementation of the system. One possibility would be to use a staged approach for implementation, whereby only less sensitive data are held in the system initially, with the facility to input additional data at a later stage when public acceptance may be forthcoming more readily".<sup>1,6</sup> The existence of further such subversive material is one plausible explanation for the Government's refusal to release the report of the First Inter-Departmental Committee.<sup>2</sup>

## **THE BASIS OF IDENTIFICATION**

The HIC proposes a three-step process to recognise identities, and to assign them to individuals. It would first acquire data from over two dozen databases from eight Commonwealth Government agencies and eight State and Territory Registrars of Births, Deaths and Marriages. Comparison of this vast volume of data against the Medicare register would result in candidate identities with varying degrees of credibility. In the second step, individuals would be required to submit an application form. They would subsequently be 'invited' to attend an interview. They may be associated with one (or more?) candidate identities on the basis of information they have supplied on their application form. They may also be required to present such documents as they can find, to demonstrate that they have used a particular identity consistently in at least recent years. They would then supply a sample signature and have a photograph taken for inclusion in digitised form on both the card and the register. In the third phase, the card would be prepared at a secure site in Canberra, and each person would be required to return at a later date to collect it.

This procedure is to apply to everyone including bishops, swagmen, captains of industry, itinerant workers, senior public servants, school-children, generals, vagrants, politicians and babies. There are to be some special arrangements for the bed-ridden, the institutionalised and those in remote areas (which presumably includes, as a special case, aboriginals living traditional life-styles).

## **DEFICIENCIES OF THE IDENTIFICATION TECHNIQUE**

To be highly secure and reliable, an identification scheme would have to be based on some physiological characteristic which the individual could not alienate, and an accurate representation of which was held on records available to every relevant organisation. At present the technology is being refined to enable fingerprints to be a technically effective basis for such a scheme, although at this stage it is still very expensive. Fingerprint identification techniques were developed for the express purpose of assisting in criminal investigation, and some qualms would be felt by most people at applying such a technology routinely to the entire population. The HIC decided against fingerprints for the time being, but proposes to equip itself with digital image capture, storage and display capabilities for photographs and signatures. It would therefore be well-prepared to move in the direction of fingerprints when the opportunity presented itself.

The scheme does not incorporate any such 'positive' physiological identification. The card and register would contain a small, grainy,

black-and-white photograph, but this is an entirely inadequate basis for a high-integrity identification scheme. One reason is that a person's appearance is highly variable, depending on the length, style and colour of facial hair, adornments particularly glasses, angle of view, lighting conditions, mood, etc. Another is that a photograph can indicate only that the person presenting the card is the person who was photographed. A photograph would therefore provide only a low-integrity check, and might help prevent, or at least detect, a proportion of the more gross errors and frauds.

The matching of over twenty databases promises to be a technically challenging and exciting project. But there are a vast number of inaccuracies in each of these databases, including out-of-date addresses, and variants and mis-spellings of the prime matching data (address, name and date of birth). As a result, millions more candidate identities would be generated than there are people in Australia. It is common knowledge that Medicare cards were issued in respect of 15.8 million people at a time when the ABS-estimated population of Australia was 15.2 million. In that case, of course, the integrity shortfall was of no consequence: the Government's objective was to ensure the credibility of the 'bulk-billing' alternative, and the control mechanism was neither the card nor the register, but the doctor's invoice. However in only three years this once low-integrity database has been elevated (at least in the perception of its administrators) to a high-integrity register to be used as the hub of a nationwide identity verification scheme.

Judging whether candidate identities should be deemed valid or not would be a further technical challenge. The complexity of our society is far too great to permit the specification of a reliable set of *a priori* rules. The identity validity criteria would be at first arbitrary, later perhaps empirical. Likely factors would include precisely which databases the putative identity appears on, and the degree of correspondence between the data on the different databases.

However, there are many people in Australia who have not developed a bureaucratically acceptable trail, who would be in limbo until officially recognised, and who would occupy valuable time both at HIC front-counters, and in the regional offices and central office where the difficult decisions would be made. There are many people who lack skills with the English language (no provision appears to have been made for interpreters), and in dealings with counter-clerks. There are also criminal aliases with impeccable credentials, such as drug-runners with multiple passports each in a different name. In order to achieve the critical target of a one-to-one relationship between cards and individuals, the criteria used would have to be yet narrower than the recently tightened rules of the Passports Office.

An additional problem is that there is no such thing as reliable documentary evidence of identity. Birth Certificates are issued to anyone who has a seemingly good reason — their purpose is to evidence the recorded details relating to the birth of some person, and certainly not to prove that a person is who he claims to be. All documents are derivative from such 'seed' or 'breeder' documents.

Of the present Australian population, 21 per cent was born outside the country. For these people, the HIC would have to accept immigration records and/or foreign passports, in which case they would have to issue as many cards to any one individual as he could produce matching entries on the register. Until the last 'flag-of-convenience' in the world closes its doors, or a single world-wide identification scheme is operational, imported false identities will continue to be used.

Recognising that many economic transactions are not undertaken in person, the Bill also allows 'prescribed persons' to issue 'certificates of identity' for transmission through the mail. Since the Bill does not cater for transactions undertaken using telecommunications, a variety of additional exceptions will need to be administratively sanctioned. Such (necessary) exceptions present easy avenues for the criminally-minded to circumvent the scheme.

A further unresolved matter is the companion identification system for entities such as companies, partnerships and trusts. Details of this arrangement have yet to be published, but early references to it suggested that it would be based on the identification numbers of individuals associated with the entity. This would seem highly unlikely to produce a workable system.

## **THE MECHANISM AND THE GAINS**

Under the scheme, everyone would be required to present the card when seeking employment or government benefits, when opening new accounts with financial institutions, and in a wide variety of other circumstances associated with the receipt of income and transfer of funds.

Each organisation would report to central authorities (at this stage only the Tax Office) using the number. The Government has asserted that gains would arise in a variety of ways from this arrangement, but only one of the several claimed sources of gains within the Australian Tax Office was explained. Interest income to individuals is currently well under-stated in tax returns, and more tax should be collected. Of course, this could be achieved in large measure by far less extreme means than this scheme. Indeed, if the Tax Office had ever exercised the power and responsibility given to it in 1932, the high incidence of casual evasion would never have arisen. The nature of the benefits is



as vague as the mechanism. When challenged by the Joint Select Committee, the Tax Office claimed that their estimates of gains were based on 'qualitative assessment'.

The Department of Social Security testified that most social welfare over-payment and fraud arise not from mis-identification but from misunderstanding and mis-statement of circumstances. Moreover, the integrity of the proposed scheme was assessed by the Department to be lower than their existing arrangements. The Government reluctantly accepted this stance by 'conservatively' estimating the net gain in this area at zero.

The vast gains from illegal immigration (\$1.3bn over 10 years) appear in one line of a table, without any supporting text whatsoever. They are based on the implicit (and hilariously naive) assumptions that all of the presumed 60,000 illegal immigrants would be promptly and costlessly found and despatched (somewhere — anywhere), and that no more would arrive. In short, the means whereby the other gains would arise are unclear, illusory or at worst just plain fraudulent.

It has also been pointed out by John Logan of the Centre for Independent Studies that such benefits as resulted from the scheme would not be gains.<sup>17</sup> They would represent an opportunity either to reduce the government deficit, or to redistribute the taxation load from less honest taxpayers and social security recipients to more honest people. The maximum possible re-distribution (based on the Government's own, very optimistic estimates) is \$40 per person per year.

On the other hand, there would be a clear incentive for many more activities to move out into the 'black economy' of cash and barter, further enlarging the gap between the official, documentary level of society and reality. There are also arguable cases that some marginal activities would cease altogether and some would migrate offshore. The Government has not effectively addressed these fundamental questions.

## **THE FINANCIAL COSTS**

The official estimates of government costs have varied widely during the course of the campaign, and a variety of omissions and under-estimates remain. For example, the compliance costs of government agencies themselves are seriously understated; and the latest (February 1986) estimates of \$0.75 billion in the first 10 years include significant errors in calculating personnel requirements, since the overheads of supervision, staff turnover, re-training and holiday and sick leave were omitted.

The cost and inconvenience to individuals in complying with requirements are totally omitted from the Government's cost/benefit analysis. Recent ABS statistics showed that at the end of each year 15 per cent of the population is at a different address within the same State, and a further 1.7 per cent is at a new address interstate. After allowing for international movements, and multiple moves by the same family, the volatility of the 16 million addresses on the Register would appear to be above 20 per cent per annum. To maintain integrity, it would be necessary for each of these to require a personal visit to an HIC office. After the initial 18 months, this would have to be done during work-hours.

Costs to the private sector would be vast.<sup>17</sup> Every company in the country would need to change complex and, in many cases, ancient payroll and creditors systems. Every investment system in the country's banks, building societies, credit unions, trusts, insurance companies, solicitors' offices and even real estate agents would have to be modified. The Australian Bankers' Association estimated the costs to banks alone at over \$100 million in the first ten years of the scheme, and expressed concern that some existing services would have to be withdrawn, particularly in remote areas. Both during the issue phase and subsequently, many employees would need time off from work to attend interviews, collect cards, advise change of address and lost cards, and collect original and replacement cards. The Government's commitment for HIC offices to be open outside work-hours remains vague, but appears to be limited to a few hours daily, and only during the first 18 months. There would therefore be appreciable amounts of lost work-time, at an indirect, and in some cases probably also a direct, cost to employers.

All of these costs were entirely omitted from the Government's considerations. Remarkably, there was an attempt by an academic economist to justify the exclusion of all non-government costs from the cost/benefit analysis.

## **INFORMATION PRIVACY PROTECTIONS**

In Australia there has been a history of neglect of privacy matters. Over ten years have elapsed since the Whitlam Government instigated a study, and, in keeping with its tradition of undertaking the minimum possible law reform at the latest possible time, Australia still lacks data protection laws, and lags behind the rest of the advanced Western world.

In tandem with the national identification scheme, the Government finally introduced its long-delayed data protection proposals. One of the elements is a Data Protection Agency, established by the Australia

Card Bill.<sup>12</sup> The other is a Privacy Bill,<sup>13</sup> based on the Australian Law Reform Commission's 1983 Draft (which was in turn based loosely on the OECD's 1980 Guidelines). However, the Bill has been heavily worked over by the Federal bureaucracy, and the 'principles' of data protection have been qualified almost out of existence.<sup>19</sup> Moreover, by locating a crucial component of the privacy protective regime within the Australia Card Bill, the Government precluded Parliament from approving the privacy proposals unless they also agreed to the 'Australia Card' scheme.

The Government's degree of interest in the Privacy Bill was made abundantly clear firstly when it was introduced a day later than the Australia Card Bill, and secondly when debate in the House of Representatives was gagged after a mere 70 minutes. Its attitude might be summed up by a statement by Health Minister Neal Blewett which was much used in the parliamentary debates. During a party conference in 1986, this ex-President of the South Australian Council for Civil Liberties said that:

... we shouldn't get too hung up as socialists on privacy, because privacy, in many ways, is a bourgeois right that is very much associated with the right to private property.

The peak legal professional body, the Law Council, and the body of computing professionals, the Australian Computer Society, submitted to the Government that the sequence in which it was proceeding was inappropriate. They argued that consideration should not be given to a national identification scheme until after a data protection regime had been both enacted and established.

The specific controls proposed for the 'Australia Card' scheme are very weak. The Data Protection Agency created by the legislation would come into existence over two years after planning of the scheme commenced, and could only influence activities within the predetermined framework. It could give directions to the HIC, but not to the participating agencies, other government departments and instrumentalities, or the private sector. It would be bound by a great deal of 'red tape', and its energy would be sapped by an entirely unnecessary responsibility to maintain a register of databases.<sup>24,25</sup>

It would be very easy for the Government of the day to strangle the Data Protection Agency. For example, it could appoint a President prepared to use his very wide prerogatives in a conservative manner, or it could starve it of funds. The Data Protection Advisory Committee has no power whatsoever (not even to call its own meetings), and it does not have the broad community representation promised by the Minister.

## BROADER SOCIAL IMPLICATIONS

The concept of 'one-person-one-identity' which underlies the scheme is foreign to British and Australian law, because the use of an alias has never been in itself a crime. Some people use multiple names for historical reasons, others 'hide behind' more than one name for physiological and/or psychological security and sometimes for criminal reasons. Users of aliases include creative people like artists, authors and actors, professional people, particularly females, staff at psychiatric and prison institutions, private detectives and intelligence operatives.

This is only one of the ways in which the scheme ill fits its cultural context. Judging by the following exchange between the Joint Select Committee and the HIC's Assistant General Manager for the Australia Card, some of the scheme's architects do not appreciate even quite coarse-grained elements of 'culture':

- Senator Puplick: . . . Which countries did you visit which have legal systems based on common law principles?  
 Mr Hazell: Could you explain what you mean by that?  
 Senator Puplick: Which common law countries did you visit as distinct from civil law countries?  
 Mr Hazell: I am afraid I do not understand what you mean.

The scheme is based on large-scale computer matching. The HIC would be permitted to expropriate and match data from a wide variety of sources, including 16 government agencies and the individual himself. The Bill would override the existing privacy protection Sections in a dozen Acts of Parliament. Moreover, the scheme is designed to facilitate, indeed automate, such activities in the future. Matching schemes bring together vast amounts of data about each individual, which was collected by different organisations for quite different purposes and with attention to data quality appropriate to those particular circumstances. The scope for misinterpretation of merged data is enormous.<sup>18</sup>

Ensuring security for the register would be impossibly difficult. There is at present no single, reliable source of names and addresses in Australia. Six per cent of Australian telephone subscribers pay to keep their addresses and telephone numbers out of the telephone directory. The register would therefore be of interest to many people, variously for good reasons (such as debt collectors are presumed to have), for ambiguous ones (estranged spouses, jilted ex-boyfriends and over-protective fathers and brothers), and for downright sinister reasons (criminals pursuing ex-associates). Every record would be accessible on over two thousand terminals operated by thousands of clerks in the

offices of at least three different government agencies, at over four hundred locations throughout the country. With such widespread access, high-technology line-tapping and decryption would be unnecessary.

There appears to be no limitation on how long data would be retained by the HIC. Since the Register would contain information on family linkages, it would have potential use well beyond a person's lifetime. Since the Register is deemed for such purposes to contain all of the vast amounts of information gathered by the HIC during its establishment phase, there are no limitations on the retention of this information either.

The Government withdrew from its early positions of 'voluntary' and then 'pseudo-voluntary' use of the card. It would be obligatory for everyone to acquire, to retain and to use a card, and there would be powerful sanctions against a person who failed to do so. Because of the wide variety of circumstances in which the card would be required, and because of the unpredictability of some of them, it would be advisable to carry the card at all times. For most people, it would be difficult to discriminate between organisations authorised to demand the card and those precluded from demanding it. It would also be difficult to resist 'requests' from persons in authority (like policemen) or in a strong bargaining position (like financiers). There are only loose controls over the acquisition of cards by third parties on behalf of the aged, infirm, bedridden, physically and mentally handicapped and those in institutions. Individuals would have quite limited rights under the scheme. Although the matter is beyond the scope of this paper, it is the author's contention that the proposal quite expressly establishes the basis for widespread data surveillance in Australia.<sup>18,26</sup>

## **A WORLD FIRST**

The Government's claims that similar schemes operate overseas are based on inadequate information. Only the Swedish and Danish schemes come remotely close, and those societies are based on some fundamentally different tenets from our own. Even the new West German scheme (developed in a context of real and continuing external threat, and occasional extremist terrorism) is less pervasive. The French, Italian and even the Swiss schemes are far less centralised, and are restricted to fewer uses. The Communist block has largely manual systems.

Neither the United Kingdom nor New Zealand has or is contemplating such a system, and, at least in respect of its white population, the same applies to South Africa. The U.S. and Canadian Social Security numbering schemes are low-integrity systems designed for a single purpose. They have come to be used for a variety of

additional public and private sector purposes, but with largely spurious success. The U.S. Social Security Number and Card scheme has been considered for improvement or replacement by a succession of Committees. Each has recommended against such a project on the grounds of impracticality and excessive infringement of human rights.<sup>20</sup>

## CONCLUSIONS

Exhibit 2 contains the author's conclusions about the Government's proposal. The scheme's rejection does not deny the Government the ability to address tax evasion, welfare fraud and illegal immigration. Tax administration is in a poor state due to over a decade of neglect of hardware and applications software, and years of increased legislative complication without rationalisation. Welfare fraud is currently being addressed by a major project within the Department of Social Security. Illegal immigration requires more specific measures such as accelerated hearings and appeals, changes to the laws of evidence, and more enforcement, prosecution and judicial staff.

### EXHIBIT 2: THE 'AUSTRALIA CARD' SCHEME'S INADEQUACIES

- \* it would be ineffective, because it relies on an inadequate basis for identification;
- \* it would result in much lower levels of benefits than the Government anticipates, partly as a result of its ineffectiveness, and partly because of the unjustifiable optimism of the estimates;
- \* it would cost a huge amount more than the Government anticipates, in additional bureaucracy, and in private sector compliance costs;
- \* it would be highly inconvenient to the public, because of the new obligations it would create, and the errors, misunderstandings and unjustified suspicions which would result;
- \* it would dramatically change the relationship between the individual and the State, and provide the basis for mass surveillance.

## PROSPECTS

Although the Bill has been defeated twice in the Australian Parliament, there are a variety of ways in which the scheme could still be implemented. The Government has the double-dissolution window open to it until mid-August 1987, and, the Prime Minister's 1 April assurances notwithstanding, if the Government later sees it as opportune to call an early election of both Houses, there would be nothing to prevent it doing so. If the Government were returned, it

would have the opportunity to call a joint sitting of the two Houses, in which case it would need a majority in the House of Representatives greater than any minority it might suffer in the Senate.

The House of Representatives and half of the Senate are in any case due to face the electors no later than March 1988. The terms of all six Australian Democrats and the four Independent Senators expire at this election, and they need a quota of 14.3 per cent rather than the 7.7 per cent gained at the earlier double-dissolution election. If the Labor Party regained Government, it might therefore also achieve a majority in the Senate. If it had control of both Houses, or could attract the support of sufficient non-Labor Senators, it could pass the original or an amended Bill at the third attempt.

Alternatively, many elements of the scheme could be implemented without legislative approval. It is also common for the Australian Government to proceed with arrangements in advance of the approval of Parliament, and unusual for the Opposition or anyone else to prosecute for such unauthorised activities. Finally, it is also common enough practice for elements of an unpopular scheme to be embedded in routine Bills. An alternative to passage of the Australia Card Bill would therefore be to later present the scheme as a *fait accompli* which would be nearly as expensive to cancel as to continue with.

## INTERPRETATION

The public service has the responsibility of implementing ever more government programmes which offer ever more opportunity for fraud. These programmes demand ever more funding, increasing the rates of taxation, and making tax evasion ever more prevalent. If agencies were merely to tighten their existing identification procedures, continuing problems would highlight the many other (in some cases unavoidable) deficiencies in their systems. An entirely new identification scheme run by an independent agency would enable existing agencies to ease themselves out of the firing line, by deflecting the inevitable future criticisms toward the agency administering the scheme. The service therefore has a clear self-interest in promoting the proposal.

The Government, for its part, is attracted by a bold project which it believes will cut through some of the difficulties surrounding it. Its refusal to recognise the scheme's technical inadequacies, and the naively and in part fraudulently optimistic economics are, regrettably but realistically, the normal behaviour of a Government and its agencies after it has committed itself to a course of action.

Rather than assessing the idea on its merits, the scheme's proponents have presumed that information technology is capable of delivering a 'knock-out punch' against the nominated evils. The

Government is 'throwing technology' at complex social problems whose solutions demand a more painstaking approach.

## CAVEAT

This article presents a very brief overview of the scheme and its consequences. It is not possible in such limited space to accurately document the proposal, its origins and motivations, the many changes which it has undergone, the investigations on which the author's views are based, or the full argument supporting the contentions.

## NOTES AND REFERENCES

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