



**The Digital ID & Authentication Council of Canada (DIACC)
Written Submission for the 2023 Pre-Budget Consultations**

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**Submitted by:
Joni Brennan, President, DIACC
jbrennan@diacc.ca**

**720 King Street West, #302
Toronto, ON
M5V 3S5
www.diacc.ca
info@diacc.ca**

List of recommendations

- **Recommendation 1:** That the government drive economic growth by prioritizing and investing in the government's digital identity mandate.
- **Recommendation 2:** That the government strengthen alignment with provinces and territories on digital identity initiatives.
- **Recommendation 3:** That the government make strategic investments to combat misinformation and disinformation that is impeding the acceleration of Canada's digital economy.

Introduction

On behalf of our members, we would like to thank the House of Commons Finance Committee (FINA) for the opportunity to submit this pre-budget submission. As the federal government continues to build a digital government and embrace a digital-first mindset, the Digital ID & Authentication Council of Canada (DIACC) is eager to help ensure Canada is leading on digital identity, adapting to our new realities, and playing a leadership role among our global peers.

DIACC was created following the federal government's Task Force for the Payments System Review, with a goal to bring together public and private sector partners in developing a safe and secure digital identity ecosystem. Our work is guided by an overarching and deep commitment to trust and duty of care, evidenced by the development of the Pan-Canadian Trust Framework (PCTF) — a co-created framework that any jurisdiction and industry sector can work with to ensure business, legal and technical interoperability. Instead of a single solution, the PCTF promotes choice and offers a shared hub that distinct solutions can interoperate through.

Our submission and recommendations reflect the deep experience and expertise of DIACC's member organizations, and our collective commitment to the success of verifiable digital identity to secure Canada's full and beneficial participation in the global digital economy.

Canada's opportunity to lead on the global stage

DIACC and its members applaud the government for its commitments to date on digital transformation in general, and digital identification in particular. We were encouraged to see digital identity as a priority in Treasury Board President Mona Fortier's mandate letter, and to see the government announced its *Digital Ambition* plan which recognizes the need for digital options among Canadians, as well as the need for transformation of public and private-sector organizations as they adopt digital technology solutions to better deliver programs and services.

Yet despite the commitments made, Canada risks getting left behind as the global community embraces digital identity. At the recent 77th session of the United Nations General Assembly, a broad range of representatives discussed and agreed to scale up efforts to build safe, trusted and inclusive digital public infrastructure (DPI) for a more sustainable and equitable world. The commitments included an initial \$295 million in funding to support the development and adoption of inclusive DPI, scaling technical assistance and deeper capacity building. The event — called 'The Future of Digital

Cooperation: Building resilience through safe, trusted, and inclusive digital public infrastructure' — was the first significant gathering of countries to advance the development and use of DPI. This is a sign of the momentum and growing priority both the public and private sectors are placing on DPI and digital identity.

The time to lead is now, but to do so governments must make solving digital identity, with an overarching commitment to privacy and security, a stated priority now and establish public policy that puts people in control of their public and private sector data. That opportunity — and imperative — comes at a time when Canadians are clear about their expectations around digital identity and the desire for privacy and control over how and which personal information is shared. In a recent [survey](#) conducted by DIACC, 91 per cent of Canadian respondents indicated they want control over their personal data collected by provincial and federal governments, 86 per cent of respondents indicated they want control over personal data collected by private organizations, and 80 per cent said they want a secure and unified digital identity ecosystem.

It is within that context that DIACC offers three key recommendations in advance of Budget 2023.

Recommendation #1: Drive economic growth by prioritizing and investing in the government's digital identity mandate.

While the benefits of privacy, choice, and trust in advancing digital identity are clear, the economic benefits — and related cost of inaction — are significant. More than just a part of driving Canada's post-pandemic recovery strategy, digital identity has the potential to be a powerful economic driver for Canada. A white paper developed by DIACC member Hyperion found that the impact of digital identity used to improve processes could result in a potential [\\$4.5 billion of added value](#) to SMEs and reinvestments in the Canadian economy. Further, in a [recent study](#), McKinsey found that extending full digital identity coverage could unlock economic value equivalent to 3 to 13 percent of GDP in 2030, with just over half of the potential economic value potentially accruing to individuals.

Yet the cost of inaction on digital identity goes beyond the loss of potential economic growth and failure to reach Canada's economic potential. [Other countries](#) prioritizing identity solutions have begun looking for ways to expand beyond their borders by promoting their digital identity solutions and using their own experiences as a role model for new initiatives, bringing with it revenue potential by letting other countries leverage existing solutions, platforms or infrastructure.

The strength of Canada's economic future depends on strategic digital investments

making digital identity a priority, and ensuring Canadians can completely and securely participate in the global digital economy.

Recommendation #2: Strengthen alignment with provinces and territories on digital identity initiatives.

Multiple Canadian provinces have either launched or made investments in digital identity products and services, yet federal funding and cohesive leadership remains the missing piece. Alberta and British Columbia have launched digital identification, with BC including a mobile card and a Verify by Video option. Significant investments have been made in Ontario and Québec, where proof of vaccination credentials have been launched. Saskatchewan, Yukon, Nova Scotia, Newfoundland, Prince Edward Island and New Brunswick are launching pilots, proof of concepts and digital identity components.

There is demand for and interest in enabling capability across the country — but unequal funding and approaches developed in silos pose a risk. Without cohesive federal leadership, these systems will be disjointed and miss the opportunity to be truly interoperable, efficient and useful for all Canadians. Unlocking these opportunities in a synchronized and equitable manner will ensure Canadians can all access economic opportunities, public services and the chance to manage their own personal information in a safe and controlled way in our digital economy.

Recommendation #3: Make strategic investments to combat misinformation and disinformation that is impeding the acceleration of Canada's digital economy.

According to Statistics Canada, during the pandemic a full 96 per cent of Canadians who searched for and found COVID-19 information online said they suspected the information was misleading, false or inaccurate. Among these, one-quarter saw misinformation multiple times a day. Only four per cent said they never saw misinformation, and 40 per cent of Canadians said they saw information they believed to be true, then later realized it was not.

Trust in online information, media and government organizations, and the perceived lack of privacy, can be seen on the decline over the years. So it is no surprise that there is so much confusion and mistrust around the benefits and privacy protections gained by implementing digital identity solutions and services.

Canadians need to feel safe and in control of their information when they engage online. Core to that safety is privacy, security and choice in how they share personal information online. In order to increase trust and maximize the economic benefits of digital identity, we need government-led public education campaigns and initiatives that speak to the facts around digital identity including privacy, security and benefits to Canadians as the world shifts to a digital economy.

Conclusion

While Canada has made significant strides in prioritizing digital identity and the shift to a digital economy, there is still work to do on the path to an inclusive, privacy-enhancing digital identity strategy that works for all Canadians.

As a creation of the federal government's Task Force for the Payments System Review, DIACC wants to support the government in empowering individuals, increasing government efficiency, strengthening companies, and uniting communities across the country with secure access to resources, economic development, trust and support. Our organization and its members are committed to helping the government continue to unlock opportunities for Canadians, decrease costs for governments, consumers and business, improve service delivery, and drive GDP growth. We believe these three recommendations will get us there.

Thank you once again for the opportunity to provide our input in advance of Budget 2023 and as we collectively move forward on the path to a digitally and economically prosperous Canada.