

SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS
ATTORNEY-GENERAL'S PORTFOLIO

Program: 1.2

Question No. SBE15/077

Senator Bilyk asked the following question at the hearing on 20 October 2015:

1. When was the Remittance Working Group established?
2. Who are the members of the Group?
3. How many times has the Group met since its establishment?
4. On what dates has this occurred?
5. Has the Group met with impacted stakeholders?
6. Who has the Group met with?
7. What is the process for impacted community members to engage with the Group?
8. What progress has been made by the Group?
9. Have any solutions been offered to people who seek to transfer money overseas?
10. Is AUSTRAC concerned that people will directly try and take money overseas as a result of the banks' decision to break ties with money transfer operators, therefore moving from a regulated system to a more de-regulated system?

The answer to the honourable senator's question is as follows:

1. The Remittance Working Group was established in December 2014.
2. The Working Group consisted of members from:
 - Attorney-General's Department
 - Department of Foreign Affairs and Trade
 - Australian Transaction Reports and Analysis Centre (AUSTRAC)
 - Australian Crime Commission
 - Australian Bankers' Association (ABA)
 - Australian Remitters and Currency Providers Association (ARCPA), and
 - Somali Money Remitters Association (SMRA).
3. The Working Group met 7 times, meeting on a monthly basis between December 2014 and May 2015 and a final meeting was held on 16 September 2015.
4. The Working Group met on the following dates:
 - 15 December 2014
 - 12 January 2015
 - 2 February 2015

- 10 March 2015
 - 17 April 2015
 - 25 May 2015, and
 - 16 September 2015.
5. The views and interests of stakeholders were represented in the Working Group by the ABA, ARCPA and SMRA.
 6. The Working Group operated as a closed forum. The purpose of the Working Group was to facilitate discussions between the remittance representatives and banking representatives. The remittance and banking representatives undertook their own consultation with stakeholders in their respective sectors and these consultations influenced Working Group discussions.
 7. The Working Group considered the bank de-risking issue from a sector standpoint. Individuals from within the community were not engaged by the Working Group.
 8. An agreed Outcomes Statement for the Working Group was published on the Attorney-General's Department's website in December 2015. The statement can be accessed at <https://www.ag.gov.au/CrimeAndCorruption/AntiLaunderingCounterTerrorismFinancing/Pages/default.aspx>

The formation of the Working Group was important to provide an avenue for dialogue between the banking sector and small to medium sized remittance businesses. Through the Working Group both sectors were able to discuss the issues faced by the other in dealing with this issue. Outcomes achieved by the Working Group include:

- The production of an AUSTRAC strategic analysis brief - Bank De-risking of Remitter Customers, released on 16 November 2015.
 - The drafting of a process map for risk mitigation strategies. This maps the remittance chain, identifies risk points and outlines mitigation strategies that satisfy banks' risk appetite. The work on the process map is being carried out by the remittance and banking members of the Working Group and continues following the conclusion of the Working Group.
9. AUSTRAC intelligence demonstrates that the closure of remittance business accounts has had minimal impact on the volume or value of funds flows through the sector. Channels to remit money overseas continue to be available.
 10. It is not illegal to carry money out of Australia, so long as any currency over the value of \$10,000AUD or equivalent is declared at the border. AUSTRAC is aware of the risk of displacement and is monitoring the environment in cooperation with other law enforcement and intelligence agencies.