



**Australian Government**  
**Indigenous Business Australia**

6 December 2010

Mr John Schmidt  
Chief Executive Officer  
AUSTRAC  
PO Box 13173  
Law Courts PO  
MELBOURNE VIC 8010

Dear Mr Schmidt

**Cost Recovery for AUSTRAC's Regulatory Functions**

I refer to your email of 12 November 2010 seeking comments to the Discussion Paper on Cost Recovery for AUSTRAC's Regulatory Functions.

Indigenous Business Australia (IBA) is a Commonwealth statutory body established by the *Aboriginal and Torres Strait Islander Act 2005* (the ATSI Act) that promotes and encourages self-management, self-sufficiency and economic independence for Aboriginal and Torres Strait Islander peoples. As some of its activities are designated services under the AML/CTF Act, IBA is a reporting entity and has had an AML/CTF Compliance Program in place since 2008. IBA's programs are rated as low risk for money-laundering and counter-terrorism. IBA does not operate deposit accounts or deal in foreign currency transactions.

AUSTRAC is already aware that IBA is not required to report any threshold or suspicious matter transactions which may contravene the secrecy provisions contained in section 191 of the ATSI Act. To date there have been no financial transaction or suspicious matter reports lodged with AUSTRAC. The only reporting that has occurred has been mandatory annual reporting.

IBA have a staff of approximately 240 full time equivalents (FTE), of which less than 150 are involved in the provision of designated services.

As the Discussion Paper defines a 'large entity component' to include reporting entities with more than 150 FTE staff, this would result in IBA incurring the Base and Large entity components of the levy, totalling \$10,145. As a unique reporting entity that has not, and is not likely to submit threshold transactions or suspicions matters reports, the "cost recovery" principal does not apply and IBA should be exempted from the entity size component and only be levied the Base fee in line with the assessed risk level.

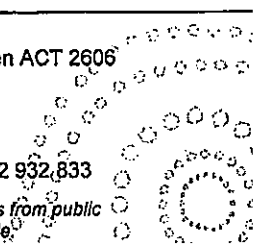


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Please do not hesitate to contact me or Mr Sandy Lolicato  
like to discuss any aspects of our response.

if you would

Yours sincerely

**Kaely Woods**  
Deputy Chief Executive Officer, Business Support  
IBA Compliance Officer, AML/CTF